

JPRS-WER-85-060

18 July 1985

## West Europe Report

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14 July 1985

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POLITICAL

INTERNATIONAL AFFAIRS

#### NORDICS READYING JOINT ACTIONS TO LIMIT SOUTH AFRICA TRADE

Helsinki HELSINGIN SANOMAT in Finnish / Jun 62 p. 29

[Article by Heikki Aili: "Nordic Countries Preparing Joint Actions"]

[Text] The Nordic countries are jointly planning to adopt perceptible measures for the possible limitation of economic relations with the Republic of South Africa. Decisions on restrictions have already been made in Sweden, Norway, and Denmark. No decisions have been made in Finland.

Joint economic sanctions of the Nordic countries against South Africa were central to the discussions at the Nordic foreign ministers' conference held in Helsinki in March. No perceptible decisions were made. The issue was turned over to a work group for consideration. Specific decisions are expected from the fall meeting of the ministers, which will be held in Oslo in October.

A week ago the Danish Parliament approved a law which prohibits new investments in South Africa and Namibia.

#### Denmark and Sweden Impose Restrictions

In Sweden legislation has already previously been enacted for perceptibly limiting new enterprise investments in South Africa. A prohibition on all loans has been demanded and even considered in Sweden.

Norway has decided to impose substantial restrictions on trade with South Africa. Norway has also announced that it will support an international oil embargo against South Africa. It has announced that Norwegian oil will no longer be sent to South Africa.

Norway has not adopted any legislation prohibiting investments since this is not needed according to an official explanation. In Finland the issue has been explained in the same manner.

#### Trade Has Increased

The Nordic countries have not officially considered the complete curtailment of economic cooperation with South Africa in any connection. Trade between South Africa and all the Nordic countries has increased in recent years.

Finland's exports to South Africa rose almost 70% within a year and imports reached a value of a full 100 million marks. Exports have more than doubled in value in the last 7 years. Imports have almost doubled.

Public opinion in Finland has demanded a halt to trade. The government, for its part, has explained that it will happen whatever the UN Security Council so decides. The UN Security Council imposed a ban on weapons exports to South Africa in 1977. This is the only internationally binding economic sanction against South Africa. Indeed, weapons have been exported to South Africa since then. Under the Reagan administration the United States has exported computer equipment necessary for military purposes, among other things, but which as such does not fall within the sphere of the ban on weapons exports.

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CSO: 3617/121

POLITICAL

FINLAND

# SUOMINEN EASILY CONTAINS RIGHTISTS AT CONSERVATIVE CONGRESS

Troops United Behind Suominen

Helsinki HELSINGIN SANOMAT in Finnish 30 May 61 p 3

[Commentary by Pekka Ervasti]

[Text] The Conservative Party congress at the Congress Center in Turku on 7-9 June will be a challenge to the party administration. A topic that might get party members, the press and voters fired up for a rather insipid congress, judging from the agenda, has been hotly debated on Kansakoulukuja in Helsinki.

There will be no dramatics in their choice of a chairman. Ilkka Suominen will continue at the head of the party. No challengers have appeared. MP Pertti Salolainen, who lost the race 2 years ago, will applaud along with the others when, with bouquets of flowers, Suominen is crowned on the second day of the congress. The manager of the City of Helsinki, Mayor Raimo Ilaskivi, who recently sharply criticized the activities of Suominen's Conservative Party, will also have to adapt to the situation.

The fire of emotions may, nevertheless, be fanned for the vice chairmen elections. Of the two vice chairmen, Tapani Morttinen will probably stay on, but the post occupied by MP Aila Jokinen, who will probably become head of the health care industry organization, TEHY [Health Care Association], will be vacant in Turku and there are also a considerable number of aspirants for that post.

The initiatives to be submitted to the congress, in which a third vice chairman's post will be proposed to the party as being justified, will also add dimension to the election. Since the party administration has not taken any stand on the initiatives, they may even be approved at the congress.

If three vice chairmen are elected instead of two, especially the younger members will probably vigorously demand the additional post for themselves, but development area Conservatives will scarcely remain silent.

## Pastors and Soldiers Have Been Dropped

There are many contenders, even though the vice chairman's post is primarily only of symbolic importance. These posts are preferably reserved for those persons who represent rather some group than one's own scintillating personality.

Thus Morttinen occupies a farmers' post. After all, nearly a tenth of the party's members are farmers, chiefly tenant farmers from Finland's grain-growing areas.

In the Conservative Party they also feel it desirable to have at least one woman be a chairman. Pastors and soldiers, on the other hand, have not for a long time any more been part of the party leadership portrait gallery. There are so few card-carrying pastors in the party that it is hard for the average Conservative to find a pastor from his own national party for family events.

MP Helena Pesola of Jyväskylä, who has the support of the Conservative Women's League among others, has the most leverage for Jokinen's post.

Exasperated with the old Conservative Party even before this, the younger members will probably propose MP Sirpa Pietikainen of Hämeenlinna for the post, and MP Jouni J. Sarkijärvi of Espoo also has his own promotion team.

The young Conservatives describe their candidates as being progressive. As far as they are concerned, progressiveness would not have a damaging effect on the party leadership.

Members operating in Eastern and Northern Finland, outside the Conservative Party's home area, would also like to have representative of the development area in the party leadership. MP Erkki Moisander of Kuopio is rising as such a representative. Aside from his development area background, we have certainly not yet gotten a glimpse of any other qualities of a vice chairman that are noteworthy.

It has also been whispered about that Eva-Riitta Siitonen of Helsinki, who announced herself on television as a candidate for Parliament during the last elections, is readying herself for the vice chairmanship.

As for MP Kimmo Saisilta from Tampere, we know that he is interested in several party posts that are to become vacant; why not the vice chairman's seat as well?

The last-minute, surprise candidates, whose appearance would not be unusual in Turku either, are also part of a party congress show.

## Perpetuity Issue: Party's Position in the Opposition

In addition to the candidate issues, the issue of the perpetuity of the Conservative Party will assuredly be discussed at the congress: its position in the opposition. The growling that began a year ago has produced shock among members

of the party's left wing, however, do not share these views. The party might bring out  
and implement more and more significant proposals.

It could be surprising if delegates, meeting here and there, express a skepticism of the  
congress table. Professor and Member of Parliament Matti Tuomioja, however,  
ideas in regional policy were particularly noted in the congress. The  
has been striving for a consistent approach of environmental issues.

The early spring party congress, however, has been a success. The party  
Party they fear that there will be a serious challenge to the party's position  
before the outcome of the next election.

The Conservatives will also engage in a continuing discussion of the party's  
and the future at their party congress. The leaders of the party will be the  
of the Conservative discussion of Finland in the year 2000, which will include  
as solar energy and desertification, among others, will be discussed.

A topic on which the party leadership will probably not allow ready, open  
discussion is the presidential issue.

Suominen has called party members, asserting that they cannot exclusively begin  
to consider a nonsocialist presidential candidate before the 1991 party con-  
gress.

The Conservative Party's 3 days in Turku will not be in vain despite the agenda  
of the agenda. A 77,000-member nonsocialist party backing in the awareness of  
its popularity will be meeting, one for which things are going just as pre-  
perously as we can judge from the person of the party leader.

Its election popularity is firmly at about 22 percent. Their 19-year isolation  
in the long breach of the opposition certainly weighs on their minds, but true  
Conservatives have not abandoned their hope of getting into the government.

They intend to reinforce that sense of hope in Turku. Looking about himself,  
a congress delegate will receive confirmation of the growth in prestige his  
party is enjoying. Among others, even a representative of the Soviet Embassy  
in Finland will be sitting among the invited guests.

The 1,000 participants in the party congress will undoubtedly be seen and heard  
in Turku, famed for its cultural history and freemasons, and particularly at  
the Congress Center serving as the site of the congress. We still remember  
the last time the Conservative Party met in Turku, when, among other things,  
a group of delegates, members of this capable party, dressed as delegates  
plunged into the swimming pool after the evening celebration.

#### Suominen Arouses Cautious Enthusiasm

Helsinki HELSINGIN SANOMAT in Finnish 8 Jun 85 p 11

[Text] The Conservative Party needs a victory in the elections  
as well, not just in the opinion polls.

Conservative Party leaders seem to keep their mouths shut on issues which are known to fomenting belief in the future among party members all over the country. They began in Turku on Friday. They earned that the only way the government could be opened once they have won in the elections, not just in the opinion polls.

The optimism that preceded the last parliamentary elections and the hard and file's bitter disappointment after the elections has changed into a pessimism to only cautiously accept that the Conservatives have a majority of opinions ahead of them.

Parliamentary delegation chairman Vilho Puolanne adopted a more vigorous approach on the basis of the latest opinion polls. At least now there is no reason to be satisfied with the present support figures.

"I feel that a realistic objective would be for every Finnish man entitled to vote to give his vote to the Conservative Party. A 70-percent support figure is also a guarantee that the Conservative Party will not be ignored in government negotiations."

Party secretary Jussi Isotalo also wanted a victory in real elections, not just in the opinion polls. Only in them, according to him, will there be a basis for new alternatives in the government.

Conservative Party leaders were occupied with the question of whom they should enter into a coalition with, although in practice it was the results of a poll of constituents that clearly indicated that the Center Party (KESU) is the most favored partner in the opinion of the rank and file.

Suominen noted that their ideological proximity associates Conservatives with cooperation with nonsocialists, "but we should not adopt any uncompromising, inflexible approach to party relations."

Suominen reserved for the Conservative Party the right granted government parties even in the future and reminded us that opportunities for cooperation have not been improved before either by silencing criticism, even though rivals claim they have. "The present-day parliamentary situation is being handled separately and new negotiating configurations separately."

#### Charm Abandoned

Puolanne maintained that the Conservative Party's opposition line has not fluctuated in any way, even though it may seem to have. The abandonment of the restrained charm and strict upbringing of the nonsocialists for more colorful language is not yet, according to Puolanne, a change in approach.

According to Puolanne, their acerbic opposition policy will continue despite the fact that some of the younger party members have "joined the ranks of unreserved admirers of the government for lack of a better alternative."

Government quarrels have led Puolanne to hope that the government will fall even before the elections and that the Conservative Party will get to pick up the scraps from the banquet table. The alternative certainly does not seem to her either to be a very promising one because of the prime minister's "long reach."

#### "More Liberal Attitudes Toward Communication"

Party secretary Isotalo complained that an opposition policy never sits well with a Conservative Party that supports the social system despite tough training.

Isotalo asserted that Finnish democracy is lame in one leg. Isotalo was not, however, in favor of wooing the government parties in hopes of obtaining ministerial portfolios.

"The chief dividing line between the government and the opposition will remain most evidently unchanged until the elections and we should at least until then pursue an opposition policy."

In the event of an election victory, Isotalo told those attending the congress what sort of Finland the Conservative Party would build in the government: They would demand more effectiveness of the national administration, the application of power would be shifted closer to citizens, public services would go into private hands and more liberal attitudes toward communication would come into being.

#### "Green Socialists"

Isotalo did not have anything good to say about the baby of Finnish politics, the Greens. He was annoyed with the unpredictability of the Greens, their alignment with the nonsocialists sometimes and at other times with the socialists.

According to him, a fourth of the Greens appear to be nonsocialists, a fourth are whatever and half of them are clearly left-leaning, especially toward the SKDL [Finnish People's Democratic League].

According to Isotalo, the Greens have no business being counted among the election statistics relating to the nonsocialist share of the vote.

"The moment of truth is approaching for many who voted for the Greens with the intention of backing some sort of nonleftist radicalism."

Isotalo also outlined a new, service-ready nature for the party organization. He proposed that people other than members might also in future participate in party decisions, in, for example, election candidate primaries.

To open the congress held at the Ikituuri Congress Center, with a salutation telegram the Conservative Party approached President Mauno Koivisto, whom they last spring had claimed to have drifted under the domination of the Social Democrats.

### Conservatives Disfavor Social Democrats

Helsinki HELSINGIN SANOMAT in Finnish 8 Jun 85 p 11

[Article by Pekka Ervasti and Anneli Sundberg]

[Text] Turku—The KEPU is a noticeably more favored coalition partner than the Social Democrats among Conservatives. This is reported by a party administration poll of members.

Over half, 56 percent, of the respondents to the questionnaire supported first and foremost a coalition with the KEPU, while only 17 percent of the respondents favored the Social Democrats. About a fifth of them did not reply or preferred to adopt a position on the question as dictated by the situation.

The questionnaire was sent to 500 randomly chosen Conservatives, but the replies are representative in accordance with the factors involved. Party secretary Jussi Isotalo indeed warned against too much enthusiasm over the results of the poll. "We are in the opposition and we don't cast furtive glances to the sides."

Over half of the respondents to the poll backed a toughening of opposition policy, 23 percent were satisfied with the present policy and the same number would prefer it to be more conciliatory.

The party administration was also interested in the rank and file member's views on regional policy and agricultural policy. The desired responses were received on regional policy: It should be supported provided that the subsidies go to individual communities in need of them. There was no support for the idea of a zone.

Fifty-eight percent would increase farm subsidies or keep them as they are, but there were plenty of respondents who would reduce them, 40 percent.

Over half of the Conservatives would promote a subsidy to lower consumer prices.

The citizen's wage marketed by chairman Ilkka Suominen split the members sharply in two. Slightly over half of them felt that it should be approved to at least some extent, whereas the other half flatly rejected it.

The Conservatives were unable to say what the best way of funding the parties was; public support, contributions and party business activities were pretty nearly equally favored.

### Three Vice Chairmen

Helsinki HELSINGIN SANOMAT in Finnish 8 Jun 85 p 11

[Text] The Conservative Party congress engaged in its longest and most thoroughgoing debate on the first day, a debate as to whether a third vice chairman's post should be instituted for the party.

Having discussed it for an hour, after a vote the congress decided that a third chairman was needed. Thus the race to fill the new post was also set in motion in all earnest. The congress will make its choices on Saturday.

Candidates' names were just not raised during the debate over the change in the rule. Only MP Jouni J. Sarkijarvi of Espoo was mentioned.

Supporters of the new vice chairman's post gave as one reason among others for their initiative the fact that the Conservative Party would in this way get better coverage in the news media. It is felt that a statement by a vice chairman will cross the news threshold more readily than statements by a rank and file member or an ordinary parliamentary representative.

Representatives of the development areas also felt that, if there are three vice chairmen, it will be easier for them to be able to talk with Eastern and Northern Finland as well where members need sturdy support in the campaign against KEPU superiority.

The opponents of the initiative appeared in the Conservative Party's southern district organizations.

Among others, the assistant city manager of Helsinki, Heikki S. von Hertzen, in whose opinion vice chairmen must contribute quality, not quantity, raised his voice in opposition to the proposal.

Speaker of Parliament Erkki Pystynen, in whose opinion the Conservative Party as a big party needs more manpower in the party leadership, threw his own prestige into the ring for the creation of the new post.

Supporters of the initiative broke out into a demonstration of applause as soon as the ballots were raised, when an overwhelming majority raised red "yes" cards into sight. A two-thirds vote was required to pass the resolution and it received nearly a five-sixths vote. The outcome of the vote was 501 to 145.

Once the result was evident, the hot and humid Congress Center assembly hall emptied to a considerable extent when congress delegates flocked to the refreshment bars to deliberate as to whom they would elect to the three chairman's posts tomorrow.

It is obvious that Ilkka Suominen will continue to be the chairman of the Conservative Party after the party congress as well.

Of the vice chairmen, farmer Tapani Morttinen of Hame, who received the most support in the poll conducted among the party congress delegates of the Conservative Party Student Union's Thousand, will probably stay on.

According to the poll, Jouni J. Sarkijarvi has the next most support, but MP Helena Pesola of Jyvaskyla has roughly the same amount. Pesola is being contemplated for departing vice chairman Aila Jokinen's post. Jokinen was chosen to head the health care industry's professional organization, TEHY, early in the week.

### Suominen's Term Extended

Helsinki HELSINGIN SANOMAT in Finnish 9 Jun 85 p 11

[Text] Conservative Party dissidents celebrated at the chairmen's election in spite of their defeat.

Chairman Ilkka Suominen renewed his term in office at the Conservative Party congress in Turku on Saturday without any difficulty. Dissidents were not conspicuous until the chairmen's election during which the right wing's Kimmo Sasi offered surprisingly strong resistance to Jouni J. Sarkijarvi, favored by the party administration.

The Conservative Party had no difficulties in the election of chairman Suominen. Gallup-poll victories closed those mouths that might otherwise have had something to say about Suominen's extremely restrained, neither Right nor more Left-leaning policy line and about his personal qualities.

The only more inspiring speech at the Conservative Party's last congress was made by Eva-Riitta Siitonen, who is considered to be a member of Pertti Salolainen's camp, but she did not want to discuss the chairman by name either, only to offer advice. Dissatisfaction with the party's drift toward the Center, otherwise expressed largely through grumbling beneath the surface, exuded from the advice offered at the congress.

MP Siitonen said that the Center is crowded while, on the other hand, in the Right there are those who have strayed. Siitonen urged the party to boldly follow the example of England and plainly display its conservative colors.

The election of the two vice chairmen, the former one, Tapani Morttinen, and the new one, Helena Pesola, also went smoothly. Neither of them even needed to be praised.

MP Sirpa Pietikainen was not yet a serious contender for the women's seat.

### Deadlock Broken

Not until they began to fill the post of third chairman instituted on the opening day of the congress did they manage to break the deadlock in the congress hall. They talked about the candidates as if the fate of the Conservative Party and the chairman's post were at stake and by no means about one of the three vice chairmen, whose job it will primarily be to travel about and speak when the party chairman and the party secretary are unable to do so.

The Election Committee brought into the hall as its own candidate architect and Member of Parliament Jouni J. Sarkijarvi of Espoo, who barely beat MP Erkki Moisander of Kuopio in the Election Committee vote.

In the Election Committee Sarkijarvi got eight votes and Moisander seven. Four members abstained. The name of district politician and Member of Parliament Martti Muri popped up in the committee and the right wing brought MP Kimmo Sasi of Tampere into the race.

Tiuri was not taken seriously at the congress and he himself was not interested "at this point." He put in a good word for Sasi in the hall.

#### PR Men and Brains

Sarkijarvi, Moisander and Sasi's character and abilities were weighed in over 40 speeches. The farther the discussion went, the harder it was to find new paeans in praise of one's own candidate and in the end the candidates began to be reduced to types.

Sarkijarvi was the brains, Moisander the enduring legs of the rank and file and Sasi conservatism.

The younger members most enthusiastically promoted Sarkijarvi, but they received support from all age groups round the country. It was hard to find ideological differences between Moisander and Sarkijarvi — thus in the end Moisander's strongest trump card proved to be the fact that he was not from Espoo.

Surprisingly successful in the elections, Sasi was also praised in the discussion for his language skill and presentability, aside from his conservatism.

Sasi has always been ready to go anywhere and in the discussion it became apparent that, in the opinion of his supporters, he does not do a lot of needless thinking — at least not as much as his rival and platform expert, Sarkijarvi.

Pekka Kauppinen, who backed Moisander, advertised his candidate's human warmth, practical ability to cooperate and sailing skill. He remarked that that was a good thing when one runs into sunken rocks.

Many Moisander supporters felt that Sarkijarvi belongs in the ideological background effort, in the scholar's cell, whereas Moisander has the suitable practical ability to tour the districts and inspire the masses.

Sarkijarvi's supporters did not allow themselves to be discouraged. They stuck obstinately to the fact that the party needs a builder of the future, a bold intellectual and visionary, as Maija Perho-Santala expressed it.

Sasi was praised as a PR man and in the end that old war-horse of the Right, Pentti Maki-Hakola, put the cat on the table by declaring that at least Sasi is a nonsocialist.

#### Moisander Abandons Race

The party congress had to vote twice by secret ballot to determine the victor.

During the first ballot the congress hall's concealed opposition united its forces and, to the surprise of the party administration, Sasi amassed 277 votes. Sarkijarvi shook loose 397 and Moisander came in third with 225 votes.

Moisander felt it was wisest to abandon the race and suggested to his supporters that they vote for Sarkijarvi on the second ballot.

On the second ballot party leader favorite Sarkijarvi amassed 493 votes and Sasi 356.

When the election was over, Sasi congratulated Sarkijarvi by praising him as the Suslov of the Conservative Party.

Suominen and the other party leaders gave the impression that they were satisfied at getting Sarkijarvi, not Sasi, to join their ranks. Suominen rejected the view that the election of a third vice chairman was a variant of the contest between him and Pertti Salolainen 2 years back.

Nor was he willing to admit that Sarkijarvi is his crown prince in the party leadership.

Suominen plans to continue his fourth term in the party leadership without any changes in policy line. He sees no reason for a more Right-leaning policy, which is why there was little pressure in that direction during the first 2 days of the party congress.

#### King for 2 Years

Suominen's popularity as a leader will next be measured in Oulu 2 years from now, at which time he will either be a hero or an unsuccessful interim chairman, depending on the outcome of the parliamentary elections and negotiations with the government.

When Harri Holkeri, who then transferred to the Bank of Finland, chose political science teacher and business manager Ilkka Suominen, 46, as his successor, he could scarcely have guessed that the breaking-in period would take so much time.

During the first few years the Conservatives had difficulties in accepting Suominen's calm, easy-going style since they were used to Holkeri's officer-like rule.

When, to boot, there were election disappointments, the hopes directed toward Suominen turned into rancor, which has only eased up over the past couple of years.

The chairman was forgiven when the rank and file noticed that support figures were rising in spite of Suominen. In Turku, for the first time in his chairmanship, Suominen got to be king.

Plodder, Scholar, Woman

Helsinki HELSINGIN SANOMAT in Finnish 9 Jun 85 p 11

[Article by Pekka Ervasti and Armeli Sundberg]

[Text] Turku--Although the Conservatives settled on the choice of their vice chairmen in all told 6 hours time in Turku, the final outcome was in accordance with expectations and acceptable to chairman Ilkka Suominen.

Of the vice chairmen, Tapani Morttinen, 42, acknowledges that he is the representative of the clumsy plodders in the Conservative Party leadership. For him being a clumsy plodder has its positive values: the nonesty, perseverance and patriotism of the little man, which includes a sprinkling of the smell of the soil of the fatherland.

The thick-set farmer and egg producer from Hame was elected vice chairman of the Conservative Party for the first time as early as 10 years ago, at the time running against Ilkka Kanerva, who had been selected as a suitable candidate by Harri Holkeri.

Morttinen took to his duties as vice chairman with the same devotion he had in clearing fields on his home farm in Karkola. By his own admission, he has toured Conservative districts 40 weekends out of the year, delivering some 100 speeches on those trips.

Diligent fieldwork certainly has other purposes than just representing the concerns of the Conservative Party. Through them Tapani Morttinen also advances his political career. His rise to power stalled when, subject to an occupational hazard, the man was dropped from Parliament in the last elections.

Aside from a 2-year term as vice chairman, from Turku Tapani Morttinen will now also be starting a campaign to get into Parliament. He is certainly aware that, if he does not get into Parliament in the next elections, a seat in the party leadership will be unattainable for him in the future.

#### Lively Pesola

After her election, MP Helena Pesola, 37, with a fragrant bunch of flowers in her hand and wearing a cornflower-blue suit, received congratulations in the lobby of the Congress Center. Thus she certainly very closely corresponded to the public image for the post in the party leadership to which she had been elected: lively, nonsocialist femininity.

In the speeches in support of her they indeed gave people to understand that the woman from Jyvaskyla with a master's degree in sociology was chosen for reasons other than her sex. Pesola was especially praised for her expertise in social policy.

Aside from social policy, Pesola herself says that matters relating to cultural and intellectual growth constitute objects of central interest to her.

Pesola will not create a scandal by deviating from Suominen's line. According to observers, she has been perhaps needlessly cautious in the positions she has adopted. She, however, displayed a typically Conservative, resolute woman's point of view when Parliament debated the equality and family-name bills.

Although Pesola has a 10-year organizational career in the party bench mark, she may be comparatively green in bigger political circles.

In the Conservative Party, however, they are setting fairly high hopes on a female vice chairman. The party has clearly suffered from the lack of a strong woman politician such as the Social Democrats' Pirkko Tyolajarvi or ex-Conservative Eeva Kuuskoski-Vikatmaa, who has risen in the KEPU.

#### Modest Sarkijarvi

Did the Conservative Party act foolishly when it chose an intelligent man to be a vice chairman? This question was asked in Turku when MP Jouni J. Sarkijarvi was garlanded to the party leadership after the vote.

Sarkijarvi has, among other things, gained the reputation of being a record breaker at Mensa intelligence tests and he is being groomed for the role of party intellectual and ideologist. At the present time he heads the party's Platform Committee, among other things, and has been drafting the agenda for discussion, "A Conservative Finland in the Year 2000."

No one in Turku questioned the Espoo architect's intellectual powers, but they did doubt his qualities as a party leader.

Namely, it is hard to imagine the soft-voiced Sarkijarvi, who cultivates intellectual somersaults in his speeches, rousing supporters with a thunderous speech at some national society's election rally.

Rather, he entertains people in a restrained way, somewhat dryly confirming the fact that, when he says something, there is usually something intelligent behind it. "Try to find it," he encouraged the congress delegates in his speech of appreciation.

As a vice chairman, Sarkijarvi intends to concentrate on monkeying with the party's organizational structure and devoting himself to product development in terms of what Conservatives say and that they really know what they are saying.

Balding like a dignified academician, Sarkijarvi has been planted in Turku, the most obvious place for a plant to sprout, where he should be appropriately quiet and gradually grow into a higher party post. For example, a post that Ilkka Suominen will at some time vacate.

#### Conservative Party Remains Moderate

Helsinki HELSINGIN SANOMAT in Finnish 10 Jun 85 p 13

[Article by Pekka Ervasti and Anneli Sundberg]

[Text] Turku—The congress proceeded calmly to the tune set by the party leaders.

The strong mainstream of the Conservative Party supports a moderate policy in the future as well. This is how chairman Ilkka Suominen interpreted the party congress that ended on Sunday in Turku and which was conducted in complete conformity with the plans of the party leaders.

The long-drawn-out elections, the leisure-time exertions and the morning headaches broke up the discussion enough to prevent serious disputes about and votes on issues from being produced.

Since the words citizen's wage were also omitted from the congress agenda and concealed behind a colorless basic subsistence security, the subject did not give rise to any passions. Ilkka Suominen's summary of party policy touched off the last busy day of the congress.

Suominen predicted that there would be significant changes in the political balance of power during the 1987 parliamentary elections: The Left will slide toward the prescribed limit for a minority and the positions of the Greens and the SMP [Finnish Rural Party] will require reappraisals by the other parties.

In Suominen's opinion, the best reform in the domain of employment policy would be to do away with the Labor Ministry and decentralize its functions in part among other ministries.

"In this way the misconception that some ministry can get rid of unemployment through a bureaucracy would be dispelled."

Yleisradio [Finnish Broadcasting Corporation], Commercial Television and Nokia's new channel project received support from Suominen as did also Imatran Voima [Imatra Power Company] and Teollisuuden Voima's [Industrial Power Company] joint project to create additional nuclear power capacity. In his opinion, these demonstrate that the public and private sectors need not necessarily oppose one another.

Suominen urged the government to quickly reach a decision on a new nuclear power plant and demanded that it recognize the facts: Only nuclear power will protect the interests of prosperity, employment and the environment as well.

"Every responsible political decision-maker has to now admit that we must stop putting off the matter. We must immediately initiate the decision-making process within the government, and a decision in principle must be submitted to Parliament before the year is out."

Salmon to Heart

Aside from nuclear power, Suominen also felt concern over the fate of the wild salmon in the Tornio-Muonio River. Suominen complained that the river is almost devoid of fingerlings and he asked the Conservative members of Parliament to take the salmon to heart and correct conditions for them through Parliament.

Suominen wanted to shift social security to be handled as one activity item and, as for agriculture, he would slowly but surely reduce the number of farms and increase their size.

Suominen promised that the Conservative Party would continue to work for an election victory, aiming at a strong opposition policy through the old line during the coming 2- year term.

Suominen promised to support President Mauno Koivisto and assured us that the Conservative Party is not in the foreign policy opposition. Suominen is prepared to reduce trade with South Africa together with the other Nordic countries and he would like to establish a permanent secretariat for the CSCE.

### Yawning into the Future

The Conservatives also discussed the much-touted agenda for discussion, "A Conservative Finland in the Year 2000." In it they outline the party's views on political and social development.

New vice chairman Jouni J. Sarkijarvi presented the agenda, delivering a lecture-like exposition with slides to the congress. Mellowed by the previous evening of sambas and toga parties, the congress delegates followed the presentation stifling their yawns with their hands.

Speeches dealing with party ideology, among others, and on occasion heated debates over regional policy dominated the general discussion.

MP Pertti Salolainen reminded his listeners that conservative parties elsewhere in Western Europe are even better off than in Finland. He viewed developments as promisingly favorable since "socialism is no longer marketable."

### Tiuri Thanked His Defenders

MP Martti Tiuri's southern supporters and northern opponents opposed one another in their regional policy speeches. A real debate was not, however, produced, the congress delegates instead reading their prepared statements of position past one another.

As a conclusion to the discussion, Tiuri thanked his supporters and reminded them that Paasikivi too was opposed in his time, but that people now view with one another as to who was the first to support him.

On Sunday the congress also hammered through 10 initiatives that were messages and action directives for the party leadership and the parliamentary delegation. In the initiatives involving aid for development they among other things proposed that Nicaragua be made the foremost object of Finnish aid for development in Latin America. The proposal was too much to swallow for the extremely conservative congress delegates. After a vote, however, the motion was passed.

A collection taken up at the Saturday night celebration, which produced about 650 markkas, or about 40 pennies per congress delegate, also provided indications of the Conservatives' favorable attitude toward practical aid for development. Suominen did not feel that the result was very defensible.

#### "Lassila More Far-Sighted Too"

A dispute over wage-earner funds flared up in the congress hall when the party congress discussed the resolution to create a policy line for the future.

The younger members of the right and left wings opposed one another. The right wing wanted to omit from the resolution the whole idea of funds, while the left wing would have preferred a more precise model.

Neither of them got their way; instead, after voting the congress endorsed the old indecisive position that promotes voluntary business savings in the form of investments. It was left to the party organs to continue.

It was easy for the congress to adopt the position after chairman Suominen had condemned the younger right-wing members' views. He denounced them as speakers of nonsense and he felt that it was impossible for the Conservative Party congress to be more short-sighted than the old industrialists and general manager Jaakko Lassila.

In its communique the party congress promised to prevent centralization and monopolization. They demanded that more temporary licenses for local radios be granted. They condemned the government's cable television bill for being a prohibitory law. They demanded a 15-percent limit on commercials and, in the opinion of the Conservative Party, absolute requirements involving domestic production should not be imposed as conditions for granting operating licenses.

#### Suominen's Celebrations

Helsinki HELSINGIN SANOMAT in Finnish 10 Jun 85 p 15

[Text] The Conservative Party could just as well have stayed away from the Turku party congress. You can get cold saddle of veal at home too and it does not cost 150 markkas, as did the Conservative dinner.

The Conservative Party did not even seriously try to develop any new image in Turku. Nor would the party leaders have allowed it to do so either. Ilkka Suominen set the policy lines and the congress delegates nodded their heads in approval.

It was the first time in his career as a party leader that Suominen could smile with relief for 3 days. His authority was not put to any real test a single time.

The right-wing members had to be satisfied with small consolation prizes, victories in votes on unimportant resolutions and a moderate defeat in the election of candidates, even though there were obviously more of them in the hall than one would have believed on the basis of Suominen's speeches.

The party congress could not advise the party leaders on its opposition policy.

They are still ready to fight, if we are to believe Suominen. Party secretary Jussi Isotalo described it with the words "ready to fight but prudent." And new vice chairman Jouni J. Sarkijarvi maintained that it is more important for the opposition to bite than to bark.

#### Samba, Basic Values in Turku

Helsinki HELSINGIN SANOMAT in Finnish 10 Jun 85 p 13

[Text] First-time party congress delegate Marjatta Lapinkari of Oulu is somewhat like the Conservative Party: mature, fashionable and endowed with a ready wit.

She was only in the hall 2 hours when she was swept up into the hurly-burly of important congress events.

Although she did not think before the congress that she would take the floor at all in Turku, Lapinkari found herself proposing a resolution from the speaker's platform decorated with the emblem of the lion.

"It certainly was a completely surprising incident," Lapinkari poured out her feelings afterwards, but in the same breath she confessed: "It was, nevertheless, a great experience."

On the first day of the congress a number of party opposition elements drove the party leaders into a corner by demanding that they in future switch to direct election by members in the election of the party's leading figures. When the party leaders flattened the member-vote motions with a technical K.O., members of Parliament Ben Zyskowitz, Kimmo Sasi and Riitta Jouppila drafted a resolution demanding that the matter continue to be worked on. Lapinkari was selected to propose it.

When the resolution was surprisingly passed, Lapinkari, the chairwoman of the Oulu Conservative Party women's division, immediately got into the congress proceedings on her first appearance.

The Oulu elementary school teacher had pleasant memories of Turku otherwise as well.

"The Saturday morning celebration was particularly impressive," she recalled the rather solemn occasion during which, in accordance with an old Conservative tradition, patriotic trumpet music, quotations from Eino Leino and the Finnish flag dominated the scene.

The Saturday night celebration, on the other hand, included an exceptionally nonsocialist symbolism which is also preserved in Lapinkari's memory.

A supple-hipped samba group that drew the congress delegates into hot patterns on the dance floor burst into the banquet hall. Ilkka Suominen as well as Marjatta Lapinkari immersed themselves in tico-tico rhythms.

"I just had to go when a handsome young man came and got me," Lapinkari told us.

When she returns home, Lapinkari will continue politicking on the local school board as well as in the local party organization.

"While this is more a hobby, I certainly feel it is important to exercise my influence as a trusted representative. I am not, however, striving for a very high position in the party," she said.

Lapinkari joined the party about 10 years ago at the urging of a neighbor.

She does not believe in the idea of an ideological crisis in the Conservative Party. "Emphasis on individualism and support of enterprise are still respected," she said.

The Turku congress was the first for Lapinkari, but scarcely the last. In 2 years time the Conservative Party delegates will be heading for Oulu.

As a representative of the host city, Lapinkari will indeed be a bit worried.

The problems of providing for the delegates are occupying this practical woman's mind. Lapinkari's seemingly irrepressible optimism appeared to be slightly flawed when she pondered on the premises of the local gymnasium: "However will we organize meals there?"

#### Conservative Party Confidence, Breakthrough

Helsinki HELSINGIN SANOMAT in Finnish [no date given]

[Editorial]

[Text] The party congress of the biggest opposition party, the Conservative Party, was even more insipid in terms of actual substance than expected. The party delegates' interest was once again focused on candidate issues — this time in the form of a debate over the vice chairmen. Nevertheless, the atmosphere of the congress was marked by a new optimism and a belief in a Conservative Party breakthrough in the next elections.

In his policy line speech on the closing day chairman Ilkka Suominen outlined a background of optimism. The opinion polls give us reason to predict perhaps significant changes in the political balance of power in the 1987 elections. Overall support for the Left is declining to as little as a third of the maximum prescribed limit. The present positions of the Green movement and the SMP are creating uncertainty in the balance of power configuration. This is why the need may arise in the different factions for reappraising traditional party coalition configurations.

In the Social Democratic Party (SDP) they view the former party power figure Veikko Helle's consideration of the desirability of a government coalition between the Social Democrats and the Conservative Party as a test balloon for the possibility of such a reappraisal. Helle's views were conspicuously published in the chief SDP organ just before the Conservative Party congress.

However, they waited in vain at the Conservative Party congress for a signal in favor of coalition from the RKP [Swedish People's Party] congress in Porvoo. Just the opposite, the RKP stressed its satisfaction with the government coalition engaged in with the SDP and the KEPU, which guarantees it two ministerial portfolios more surely than do other alternatives.

The Conservative Party has indeed realistically shifted its dream of joining the government behind the next parliamentary elections. If the party succeeds in strengthening its support in them — as the signs indicate it will — the government will no longer be able to deal with it so harshly in negotiations as it did after the last elections.

It will not pay this time for the Conservative Party to concentrate on proving its general ability to govern. The similarity of the parties is already a bigger problem for it than an advantage. That is why it should rather stress its ideological image and try to appeal to voters with its own policy line. This conclusion was well expressed in Suominen's Sunday policy speech. The elections are, however, too far off to launch an actual election campaign at this point.

Suominen reaffirmed that, as concerns foreign policy, the Conservative Party is not an opposition party. With his party he repudiated the arguments of Turku professors that President Koivisto had slanted the foreign policy line to the East. The party congress foreign policy position paper is such an exact piece of work that deviations from the official line cannot even be found in it with a magnifying glass.

Suominen assumed a position in opposition to the United States' space weapons and power politics in Nicaragua in a way that does not substantively differ from Prime Minister Kalevi Sorsa's May Day speech, which caused a small uproar.

Suominen's attempt to protect the party congress this time from the presidential candidate debate completely succeeded. The congress delegates also unanimously refrained from leveling criticism at their chairman. A challenger 2 years back, MP Pertti Salolainen remained invisible this time.

The fight over a third vice chairman, which was an unexpectedly fierce one, acted as a sort of lightning rod. The party's right wing and those who otherwise react critically to the party leadership grouped themselves behind a common candidate and were able to produce a considerable demonstration of strength despite their defeat in the voting. Suominen's future as a politician will be decided in the next parliamentary elections.

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POLITICAL

FINLAND

#### SKDL PROBLEMS VIEWED IN LIGHT OF CP RIFT

Helsinki UUSI SUOMI in Finnish 1 Jun 85 p 2

[Commentary by Pentti Poukka]

[Text] "The party must strive to satisfy either an actual or imaginary need."

The SKDL [Finnish People's Democratic League] Congress has probably been thoroughly analyzed in the press. "The political contribution of the congress was regrettably slim," wrote TIEDONANTAJA, the chief organ of leftist Communists, in its lead article on Tuesday. In my opinion the newspaper was right on target for once in its evaluation. In spite of this, I would once again like to return to the ideas aroused by the congress.

Indeed, SOSIALIDEMOKRAATTI, thought that as an organization the SKDL functions best as an unruly and unbiased debating society, from which even others could receive incentives. Naturally, this can be said in the present situation, but as far as I can see the newspaper forgets history completely without cause.

#### Path to Revolution

The self-evident political-historical fact is that the Finnish People's Democratic League was established to prepare the path for a revolution in Finland. The SKDL was a path along which the intent was to travel to reach this goal. It was not any kind of an independent ideological representative, but an intermediate phase, of which there are examples and still are living vestiges in the so-called people's democratic countries of Europe.

Even in this column I have frequently related my visit to the office of a certain intermediate phase party used to support such a revolution in Czechoslovakia. The Slovak party in question, which had its party office in Bratislava, initially received its primary support from the Catholic peasantry, but cooperation with the Communists resulted in the fact that only a mere shell was left of the party and a prescribed representation was recorded in its name in political organs. The party's platform was the same as that of the Communist Party. The party existed, but its constituency was (and presumably still is) a mere computational quantity, which was only assumed to exist.

As concisely described here, such is the operation model of a people's democracy, which somehow supposedly differs even formally from a socialist

state ruled by one party. The SKDL was established as a collecting organ for accomplishing a Finnish people's democratic republic. It became a debating society and a deliberator of lifestyles much later.

#### A New Factor

Examined from these premises the SKDL and also its recent congress acquire a new significance. We are compelled to ask how this has come about.

The SKDL, an alphabet soup party, as it was once humorously called by the public, was -- and forgive me now -- in its time an alternative movement in Finland. Also the Finnish Communist Party represented a new postwar factor in public political life. Thus it could say that it represented a political direction which was not a part of the policy that led to war.

The Communists, however, were known from before. Opinions were, for the most part, already predetermined either against the SKP [Finnish Communist Party] or for it. The Communists had in any event participated in their own way in the political life of the country with their underground activities. The party did not have any unused novelty value.

The SKDL, on the other hand, was a completely new factor. It had not ruined its reputation in public policy any more than in underground policy. In this was its strength and its whole political marketing was built on this premise.

#### Strategic Error

As an alternative movement the SKDL's position after the war was, of course, downright delicious. To a very large degree it offered an alternative to a "war policy". Indeed, it was mere rubbish, but it sold well. There was a yearning for something like this.

Thus, perhaps, in retrospect it can be said that the revolutionary strategists made an error from the point of view of this issue in connecting the Communists too openly and closely to the SKDL. The Communists were generally alienated and they did not have many chances for success as a "peace party".

In any event the initial success of the SKDL was considered huge from today's point of view. The alphabet trick did not work in its entirety, but it succeeded rather well. If the league had moved in the forefront as a lifestyle party at that time already and had avoided appearing too frequently in the company of Communists, its success could have been even greater even though it is doubtful this path to a revolutionary situation could have been achieved easily.

#### No Longer A Need

In thinking about all this it is no wonder that the political contribution of the SKDL's congress now remained so slim. It is no less amazing that SKDL support is inevitably declining. The alternative movement no longer has anything to change. The need for change has ceased. Who today would believe

that the bourgeois parties and the Social Democrats are supporters of a war policy and adventurism, for which an alternative is needed?

As an alternative movement the SKDL did not directly offer a communist revolution. For this purpose there was and is a communist party. The party must strive to satisfy either an actual or an imaginary need. Unless such a need cannot be demonstrated, the party does have any chances for life or success. This the alphabet party, the SKDL, has now been forced to accept. Debating societies are a chapter in themselves.

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CSO: 3617/126

POLITICAL

FINLAND

PAPER COMMENTS ON LATEST DEBATE ON NEUTRALITY CONCEPT, PRACTICE

Helsinki HUFVUDSTADSBLADET in Swedish 4 Jun 85 p 2

[Editorial by Jan-Magnus Jansson]

[Text] Attempts by the professors Dag Anckar and Krister Stahlberg to measure earlier shifts in our foreign policy, especially during Koivisto's time, are discussed here by Jan-Magnus Jansson.

The Turku circle of political scientists and historians whose members write for the venerable FINSK TIDSKRIFT had a bad reputation even during the time of Koivisto's republic. That is too bad because it has led to a tendency to ignore statements made by this group of researchers, which is outstanding in many respects, especially when these statements are seen as pin pricks--to use a current term--in a foreign policy that is now supported by almost everyone.

Most recently, a team of researchers led by the professors Dag Anckar and Krister Stahlberg made a statistical study of how the word "neutrality and related expressions have been used in speeches by our presidents and other foreign-policy decision makers. In connection with a review of President Koivisto's book Linjaviitat (Boundaries) in FINSK TIDSKRIFT about 1 year ago, a discussion arose in which the method of statistically measuring foreign policy directions by the occurrence of certain words was roundly criticized because of the narrowness of the material. Now these same researchers have made a broader study that makes it possible to compare the usage of key foreign policy words over several decades.

One might ask, of course, whether it is meaningful to study foreign policy on the basis of verbal expressions. The answer is that, in this case, our foreign policy terminology is so precise and standardized that expressions do not appear or disappear for no political reason.

Thus, a study of this type with such a broad base is useful (68 presidential speeches from Paasikivi to the present, plus 56 speeches by "other decision makers," especially foreign ministers). It is a completely different matter that statistics are a relatively clumsy weapon when it comes to drawing political conclusions. Speeches are made in various situations and have varying significance. Historical analysis must come to the aid of statistics

to provide a correct interpretation of the purpose of what is said,

Nevertheless, what Anckar, Stahlberg, and their coworkers learned by statistical analysis alone on the time of Paasikivi and Kekkonen is of some interest. We know that Paasikivi preferred to use expressions other than "neutrality." Nor is it surprising that Kekkonen made infrequent use of the word during the beginning of his term as president. The year of the "note crisis," 1961, was the turning point. That was also the time when Kekkonen took his famous "oath of neutrality." As expected, the frequency of references to neutrality in Kekkonen's speeches during the sixties is high. This trend continued through the mid-seventies, despite complications in our policy of neutrality--in the shadow of the Czechoslovakian crisis and the integration problem--during the early seventies. Then the curve drops, according to the studies. Observers of Kekkonen's policies also had the feeling that the old president never gave up neutrality as an objective but that, to quote a famous phrase from another context, he refrained from "making a fuss about it."

With regard to Koivisto's time, the researchers say that references to neutrality have decreased markedly and that Koivisto uses such references with a "different emphasis" than his predecessor. Anckar and Stahlberg, in answer to the obvious objection that the study is actually based on only nine speeches by Koivisto, compared to several dozen by Kekkonen, point out that, "in concrete positions taken by Finland, this country has demonstrated a shift of precisely this same type." Among other things, this refers to votes at the United Nations on Grenada and on the first usage of nuclear weapons. The general conclusion is that "our foreign policy line has been drawn somewhat closer to that of the Soviet Union."

President Koivisto promptly replied to these observations in an MTV interview on Sunday. His line of defense was interesting because he claimed his foreign policy actually was a continuation of that of Kekkonen, but that he did not maintain the high profile Kekkonen demonstrated with his oath of neutrality in 1961. Instead, Koivisto chose the lower profile of Kekkonen's later years. In addition, it is difficult to argue with Koivisto's statement that our foreign policy position has been consolidated in recent years.

Actually, it would not be so unusual for Koivisto's policies during his "warm-up" period as president to be more cautious than those of his predecessor with regard to such controversial concepts as neutrality. Koivisto has been unable to speak on foreign policy with the same authority as his predecessor. On the other hand, he has had the advantage of being far less controversial, so that the criticism both inside and outside the country has lacked the bitterness that Kekkonen encountered.

One interesting question is whether, and if so how, the increased power of the Social Democratic Party and the disintegration of the homogeneous centrist leadership of our foreign policy have influenced the picture. The Turku study touches on this problem, although indirectly. It says, for example, that the "moralists" have strengthened their position and have formed Finland's position on the Lebanese question and others. Foreign policy "moralism" is found

primarily on the left. More important is the discovery that our foreign ministers, in particular, have clung to the doctrine of neutrality in their speeches more than the president has. After all, since 1982 our foreign ministers have been recruited from the middle, although their statements may be seen as reflecting the doctrines of the Foreign Ministry.

Foreign Minister Paavo Vayrynen has distinguished himself in the debate by making a contribution that perhaps should receive more attention. He said there was no cut-and-dried definition of neutrality, but that different expressions were used in various contexts. A clear distinction should be made between how Finland defines its own neutrality and the expressions used by the Soviet Union. A third aspect is how we express ourselves with the Soviet Union.

Vayrynen's statement, which was part of a particularly interesting and generally ignored interview in the newspaper KESKISUOMALAINEN of 25 May, expresses a pragmatic view that probably has guided our foreign policy in many concrete situations. It is also true, of course, that our international credibility demands that the distance between these three ways of expressing the concept must not be too great.

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CSO: 3650/258

POLITICAL

FINLAND

# TURKU PROFESSORS SEE 'PRO-SOVIET' POLICY SHIFT

PM071039 Helsinki HUFVUDSTADSBLADET in Swedish 2 Jun 85 p 6

[Unattributed article under the "Today's Discussion" rubric: "FINSK TIDSKRIFT Does It Again: Foreign Policy More Pro-Soviet"]

[Text] Our foreign policy line has been pulled a few degrees in a more pro-Soviet [sovjetvaenligare] direction, Professors Dag Anckar and Krister Stahlberg claim in an article in the most recent number of FINSK TIDSKRIFT. In doing so they return to a topic introduced in the same journal a little over a year ago in a review of President Koivisto's book "Policy Makers" [Linjaviitat] (since then the book has also been published in Swedish).

At the time, it was claimed, Anckar and Stahlberg write, that the review was an example of poor research. "Inspired not least by the attention the president gave to the review" a laudatory seminar at Turku University decided to "undertake a more detailed review of how neutrality has been presented in speeches by politicians with responsibility for foreign policy." Foreign policy speeches by Presidents Paasikivi, Kekkonen, and Koivisto were studied, as were speeches delivered by other foreign policy decisionmakers, primarily foreign ministers.

In concrete terms the work proceeded in such a way that the group looked for references to neutrality policy and analyzed their frequency and the contexts in which they were made. The results are now reported in the FINSK TIDSKRIFT article. The article notes, for example, that Paasikivi "does not appear as a pronounced champion of neutrality," and that even Kekkonen only began to make greater use of the concept of neutrality policy in the sixties. After a study of the whole Kekkonen era the article turns to Mauno Koivisto:

"President Koivisto has been keen to indicate that Finland's foreign policy line remains firm. In the light of this it is impossible not to be surprised by the fact that in nine investigated speeches delivered since 27 October 1981 he has only included some formulation on the subject of neutrality in 10 pieces of text. These pieces of text represent 5 percent of the total. Thus these 5 percent are somewhat less than the proportion of neutrality references in Paasikivi's speeches in the years 1950 to 1956.

"The view that Koivisto wants to tone down the neutrality side of our foreign policy doctrine is an easy one to arrive at. Such a view is also supported by a number of other results obtained about the way in which formulations involving the concept of neutrality are used.

"From the beginning of the sixties Kekkonen used expressly the words "neutrality policy" in more than 80 percent of the speeches studied. This also applies to the final period in Kekkonen's presidency. In Koivisto's statements the words are used in only one-fifth of the contexts studied. In 6 of the 10 pieces the section on neutrality has had added to it either that we strive for good relations or we want to keep out of confrontations. Thus Koivisto seldom uses the neutrality formula and does so with different emphases from those given it by Kekkonen.

"During the seventies it was already usual to talk about our peace-seeking and active neutrality policy. These expressions are surprisingly seldom found in Kekkonen's speeches. Even during his last term as president he spoke in 75 percent of the pieces we have examined merely of neutrality, without these additional epithets. When, on the other hand, we look at Koivisto's speeches we find in 7 cases out of 10 that he adds 'peace' and/or 'active' as attributes of neutrality.

"Another interesting difference between Kekkonen's final period in office and the Koivisto years is worth noting. We also looked to see if themes such as the friendship, cooperation, and mutual assistance treaty with the Soviet Union, friendly relations with the Soviet Union, and confidence between our two countries were mentioned in speeches from which the remarks on neutrality were taken. Here it emerged that in one-third of the speeches Kekkonen made no mention of these important elements in our foreign policy. As far as Koivisto is concerned we can state that all nine speeches contained references to the friendship, cooperation, and mutual assistance treaty, friendship, and/or confidence.

"Interestingly enough it emerges that these elements in the view taken of neutrality have a tendency to lump themselves together in Koivisto's speeches. We noted that in seven passages dealing with neutrality he used the additional epithets 'peace-seeking' and/or 'active.' In five of these seven cases he made use of a neutrality formulation which also included a reference to good relations and/or endeavors to keep out of confrontations. One has the impression that the president lays it on with a trowel, for safety's sake."

The results of the analysis undertaken of other foreign policy decisionmakers during the various presidential terms are summarized as follows by Anckar and Stahlberg:

"The general impression of such a study is that the difference between Kekkonen and the other decisionmakers of his day was never as great and clear as that between Koivisto and the foreign policy decisionmakers

during his presidential term. Under Koivisto neutrality passages occur almost twice as often in speeches by foreign and other ministers as in speeches by the president."

Dag Anckar and Krister Stahlberg draw the following conclusions:

"It seems as if an adjustment of our foreign policy doctrine has taken place as far as neutrality is concerned. The neutrality policy element is mentioned in more cautious terms than previously and it is in the president's speeches in particular that this shift is noticeable.

"If we take into account the fact that at the same time the friendship, cooperation, and mutual assistance treaty with the Soviet Union is strongly stressed and that some 'liturgical' phrases, as they are generally called, are used more frequently, it is presumably not incorrect to assert that our foreign policy line has been pulled a few degrees in a more pro-Soviet direction.

"It is of course tempting to ascribe this use of language to the uncertainty of a new president who has also met with frequent changes of leadership in the Kremlin during his first years in office. However, our view, set out at the beginning of this article, that Finland also shows the same shift in the concrete positions it has adopted goes against such an assumption. Consequently it is difficult to interpret the slight shifts in doctrine other than as conscious decisions.

"Perhaps it might be possible to claim that our foreign policy line remains firm, but that in all the cases mentioned it has been interpreted in accordance with the demands of the situation. An underlying assumption in such an argument would then be that in recent years we have been more guarded in our movements and words than in the past. It is of course not impossible that this is the case, but two objections can be made. The first is that under such circumstances we should not be able to find so different a profile of neutrality in the speeches of other decisionmakers.

"A final impression could then be that a number of small shifts have taken place in foreign policy. The slightest changes in stance and neutrality doctrine in a somewhat easterly direction could be connected with feelings of uncertainty during the transition to a new foreign policy leadership. At the same time the so-called moralists seem to have strengthened their position somewhat; this has been noticeable in connection with the Lebanese question, for example. Further, a certain radicalization of the country's disarmament policy has taken place. The change in doctrine and the probably more fundamental changes underline the good-neighborly relations with the Soviet Union and hardly have a negative effect on relations with our Nordic neighbors.

However, this policy of a good understanding between neighbors does have its risks. Confidence in our policy of neutrality in the West could be disturbed and in our UN policy we could have difficulty acting in the role of the healing physician."

POLITICAL

NORWAY

AMBASSADOR OLBERG CASTIGATES SOVIET BLOC IN OTTAWA

PM241910 Oslo AFTERNPOSTEN in Norwegian 18 Jun 85 p 8

[Per Nordrum dispatch: "No Compromise on Human Rights"]

[Excerpts] Ottawa, 17 Jun--"At the present moment minorities are being forced to give up their ethnic and cultural identities. Dissidents are being held in psychiatric institutions or are sent into internal exile," Ambassador Per Martin Olberg said at the Ottawa Human Rights Conference yesterday.

"It is our most heartfelt wish that our work has not lost all credibility in the eyes of these people," Olberg said.

It was clear to all that it was the wretched conditions for human rights in the Soviet Union and Eastern Europe that were being referred to at the closing of the Ottawa conference.

The final Norwegian contribution to the conference was delivered to the only open session since the start of the conference in May. "The outcome of the whole thing is that some delegations have delivered a major blow to the discussion of human rights in the Helsinki process," Ambassador Olberg said.

The Soviet Union and the other East European countries were not mentioned by name, but no one was in any doubt about the target of Ambassador Olberg's remarks.

Even the process itself which was started after the CSCE Helsinki conference seems damaged after the Ottawa meeting, the final Norwegian statement said.

"Norway had no illusions that the Ottawa conference would be easy," Ambassador Olberg said Monday evening [17 June]. "Despite the fact that it was realized that the meeting would be complicated, Norway had, however, been hoping for a constructive and positive close, but this proved not to be the case," he said.

"The responsibility for this regrettable state of affairs lies with the delegations which have refused to discuss topics and proposals which lie close to the kernel of the principles contained in the Helsinki final act covering respect for human rights and fundamental freedoms," Olberg said.

The ambassador said that the CSCE process must be balanced. "Setbacks in one area will have a negative effect in other areas," he said. "The conference on European disarmament in Stockholm is part of the same process as the Ottawa conference."

On Sunday representatives of the 33 European nations and Canada and the United States met for 12 hours in a final attempt to agree on a final statement. The marked Soviet fear to agree to anything about human rights meant that the attempt was doomed to failure in advance.

CSO: 3639/126

POLITICAL

NORWAY

FOREIGN POLICY INSTITUTE YEAR BOOK VIEWS

PM281041 Oslo AFTENPOSTEN in Norwegian 21 Jun 85 p 3

[Alf Seeland report: "1984 Was The Year of Agreement in Norway"]

[Text] The year 1984 was the year of agreement in the Norwegian security policy debate, whereas 1983 was the year of breakdown. The joint approach agreed on in late winter last year showed that disagreement was more limited than it might have appeared, researcher Arne Olav Brundtland said at a press conference yesterday when the Norwegian Foreign policy Institute 1984 Yearbook was presented and in which Brundtland has written a chapter on the year's security policy debate in Norway.

Arne Olav Brundtland described Norwegian security policy as a common house entered from different entrances. He said that in the presentation of the agreement [forliket] last year the Conservative party attached importance to giving the impression that it was a compromise, while the Labor Party preferred to call it agreement [enighet].

Of the parties' attitudes to NATO Brundtland writes: "It is perhaps possible to say that the Conservative Party attaches greater importance to close cooperation with the other NATO allies. If solidarity is shown outwardly, there is an increased change of this pervading NATO inwardly. This squares well with the general conservative view that Norway is a small and weak country in an exposed geopolitical position which needs the additional support our allies can provide. In addition in security policy the Conservative Party attaches a little more importance to the defense forces and the policy of deterrence."

The Labor Party has a different point of departure as to agreement on NATO, the author states. "The Labor Party seems to attach greater importance to taking open initiatives also within the context of NATO. Being 'the best-behaved boy in the NATO class' does not necessarily lead to penetration for Norway's views. Good children do not ask for things, but then good children do not get them. Although Norway may be small, weak and exposed in the view of the Labor Party too, security policy should not be as much a policy of defense and deterrence as it is made by the Conservative Party. We have sufficient security to take initiatives in the Nordic region and in the United Nations too."

Between this "deterrence policy" on the conservative side and "reassurance policy" on the left, there is a tug-of-war for the souls of the parties of the center, Brundtland said at the press conference. He also views the Labor Party's style largely as a symptom of the party's life in opposition in which you have to promote your views in a way that is different from what is possible for the government.

The Norwegian Foreign Policy Institute Yearbook also contains an article by Martin Saeter on "Norway Between OPEC and the Spot Market," in which the author finds for these two a foundation for cooperation in limiting oil production. Marianne Heiberg has tackled "Norway and the Preservation of peace in Lebanon" and she gives credit to Norway's foreign policy leadership for the policy at which it has recently arrived. Tormod Andreassen has written "Dollar Trends, History and Perspectives," Enok Nygaard "the Activities of the Norwegian Export Council" and Jann T. Lund has tackled the Cinderella of Norwegian industry in the article, "Norsk Data's Growth and International Break-through."

CSO: 3639/127

POLITICAL

NORWAY

# OSLO PAPERS DIFFER ON ASSESSMENT OF TREHOLT SPY CASE SENTENCE

## Sentence Seen 'Rather Severe'

PM251818 Oslo ARBEIDERBLADET in Norwegian 21 Jun 85 p 4

[Editorial: "Severe Sentence"]

[Text] Eidsivating Central Criminal Court's sentence on Arne Treholt is the most severe sentence ever passed by a Norwegian court on anyone accused of espionage. The sentence is not legally valid. The final sentence will be passed by the Supreme Court. However, the Central Criminal Court has determined the actual facts in the case. The task of the Supreme Court will be to assess whether on the basis of these the correct laws have been applied and a correct sentence has been passed.

According to the espionage laws the maximum penalty for spying is 20 years' imprisonment. In his demands for confiscation of assets and costs, the state's lawyers won the support of a unanimous court.

It is more difficult than usual to assess a sentence in the present case. This is connected with the fact that large parts of the trial took place in Camera. In other words we do not know everything about the foundation on which sentence was passed. Nor will we ever know.

In the light of the part of the trial which took place in public we have sympathy with those who feel that the sentence is rather severe--indeed, it could not have been more severe. At the same time it must be clear to all that the sentence, if you take as your point of departure Arne Treholt's first statements to the police, had of necessity to be very severe. And the court attached importance precisely to these first statements, together with the testimony furnished by the police special branch.

We repeat that the final sentence in the Treholt affair has still not been passed. Even though it is abundantly clear that Treholt misused the positions with which he was entrusted and had illegal contacts with the KGB, it remains to be seen whether the Supreme Court will adopt the same broad interpretation of the words "the kingdom's security" as the Eidsivating Central Criminal Court has done. In the past it has been military and security policy information which has touched on "the kingdom's security." In the

Treholt case we are faced with a series of documents which have to be assessed in terms of a different political and diplomatic content.

Among the most serious charges on which Arne Treholt has been sentenced is the espionage he engaged in as a student at the Joint Staff College. The Government leadership at the time was aware that he was a possible spy when he was admitted to the college. Arne Treholt must shoulder the responsibility for his actions. He is not excused if the spotlight is also turned on the handling of the Joint Staff college affair, for which Prime Minister Willoch, Foreign Minister Stray, and Defense Minister Sjaastad must take responsibility. It seems almost impossible to grasp that the government's leadership could accept that a possible spy should be brought into contact with information which he is later sentenced for using to damage the country's security. Does some responsibility not also lie with those who knew that this could happen? In this context we are reminded of what Foreign Minister Sverre Stray said at the government press conference in connection with the arrest of Arne Treholt in January 1984: "Treholt did most damage during the time he was personal secretary to Jens Evensen. Since the Willoch government took office in 1981 Treholt has not had access to information which could have harmed Norway to any great extent. In the period since 1981 Treholt's chances have been limited and he has not had access to documents to do with NATO or security policy issues."

We can simply note that the court has reached a different conclusion than Stray. Did the government know what it was doing when it gave the go-ahead for Treholt to enter the Joint Staff College?

#### Paper Welcomes 'Severest' Sentence

PM251545 Oslo AFTENPOSTEN in Norwegian 21 Jun 85 p 2

[Editorial: "Master Spy Arne Treholt"]

[Text] The court has spoken: Arne Treholt was sentenced to the law's maximum punishment, 20 years' imprisonment, for engaging in espionage for the Soviet Union and Iraq. In a unanimous verdict the Eidsivating Central Criminal Court pronounced Treholt guilty on nearly all counts on the very detailed charge list.

Never before in Norwegian legal history has such a severe sentence been passed for espionage. As a result it has been established--both through the sentence and the premises on which it was based--that the Treholt affair was one of quite unusual dimensions. From the very first conspiratorial meetings with KGB agent Belyayev, Treholt accepted instructions and missions from his Soviet paymaster. While he occupied central political and diplomatic posts--for a period of over 10 years--he was an obedient tool of the KGB and all the time worked on that organization's terms.

As a result we find it impossible to agree when certain commentators describe the sentence in the Treholt affair as surprisingly severe. What Treholt himself admitted in his first interrogations at police headquarters after his

arrest has since been elaborated and illuminated during a trial which lasted several months and in which the prosecution did a very thorough job. The evidence presented in open court and in camera has clearly left no room for any real doubts about Treholt's act and the damage they have done to Norway.

However, if one had swallowed what certain press organs cooked up with the aim of belittling and ridiculing the prosecution's assertions, it is of course easy to understand that the sentence should be seen as "surprisingly severe." Everyone is bound to remember the giant headlines in ARBEIDERBLADET and other newspapers to the effect that the ground had ostensibly been cut from under the Treholt affair. One can only ask what the motives must have been for this persistent disinformation.

When reading through the verdict's premises one comes face to face with an active spy who worked at a very high level. For his Soviet paymasters Arne Treholt revealed defense secrets, particularly from the strategically important northern part of Norway. He also passed on NATO information and accounts of confidential meetings at the highest political level, of importance to the whole of European military strategy.

In our open democratic system an agent with Treholt's insight and knowledge--not least thanks to his personal contacts with the political world--could be of incalculable use to the KGB. The court finds it proven that he handed over important political and military information and so helped to undermine Norwegian security. During the trial competent witnesses said that it would take several defense budgets to put right the damage Arne Treholt has inflicted on our country. Undeniably this must give a pointer to the dimensions of this case.

Through his many years of spying activity Arne Treholt has made himself guilty of the greatest deceit a Norwegian citizen can commit. He joined forces with the KGB in order to allow himself to be used in espionage against his own country. For this he has been sentenced to the severest punishment possible for activities of this type. It is a sentence which we fully understand.

CSO: 3639/125

POLITICAL

PORTUGAL

# PRESIDENTIAL POLL: FREITAS MOVING UP

Lisbon SEMANARIO in Portuguese 8 Jun 85 p 10

[Article by Luis Quintao]

[Text] The presidential campaign is finally underway. Public opinion seems to consider the panel of candidates complete, and it is now starting to act mentally the way it will when the time comes to vote. To be noted: Freitas do Amaral is approaching the score of the AD [Democratic Alliance], Soares--the "least of the national evils"--is starting to pick up in the second round, Pintasilgo is having trouble making progress, and Mota Amaral, a hypothetical PSD [Social Democratic Party] candidate, has the full equivalent of a giant ASDI [Association of Independent Social Democrats]: 6 percent. Public opinion is not standing for any foolishness. It seems to be saying: "I'm the one that manipulates the polls."

Like a romantic hero, solitary and using magic, Cavaco Silva had just become leader of the PSD. Soares was unleashing, in a steady stream, the longest ultimatum in our history--one giving Eanes time to travel to China and back. That was the political picture during the week from 20 to 27 May, when this poll was conducted.

## Mota Amaral: Alcohol Test

In the PSD there is a group--no one knows yet whether it is the minority or the majority--which says that the Social Democrats must have their own candidate. That explains why Mota Amaral has been included among the presidential possibilities: those advocating a PSD candidate accept him without question as the best candidate.

The reaction by those polled was clear: the PSD's representative would receive only about 20 percent of the vote usually won by his party in legislative elections. In other words, four-fifths of the Social Democrats prefer another candidate. It is like Ursula Andrews' soap: four out of five Social Democrats use Freitas do Amaral, or, putting it another way, voters in the party's right-wing prefer one Amaral in the hand (Freitas) to two in the bush (Freitas and Mota).

For that matter, in the view of a good number of voters, Mota Amaral--or some other important PSD personality--constitutes a real "alcohol test": a measure of the party's political sobriety. And judging from this poll, the voters in question prefer to heed the advice of the winner in Figueira da Foz: "If you vote, don't drink." Win.

#### Freitas: Damage Done by Mota Amaral

The Azorean leader will not prevent Freitas do Amaral from going into the second round of voting or even from winning the first round. Nor is that candidate, conceived by the genius of Jardim, likely to pass Soares on the left and leave the leader of the PS [Socialist Party] on his right, Freitas in the center, Pintasilgo adrift, and the voter upended. No, the percentage lost by Freitas in the first round is exactly the same as the result achieved by Mota Amaral, this in terms of the poll results published 2 weeks ago. Everything is normal.

But that candidate is doing damage--perhaps the only damage that Freitas do Amaral will be concerned about from now on--and that is the damage done in the second round.

In comparison with the previous poll, the former leader of the CDS [Social Democratic Center Party] shows a drop as far as the decisive round of voting is concerned. If he faces Soares in the second round, his score will drop from 42 percent [according to the previous poll] to 37.7 percent, and if he comes face to face with Pintasilgo, it will drop from 41.2 percent to 38 percent.

The moral is simple: a small but crucial fringe of voters on whom Freitas is counting will shift to a Social Democratic candidate. It is one thing for Rui Machete to prefer discreetly to vote for the "main enemy." A candidate who polarizes an unconquerable will to "go it proudly alone" is something else.

And significantly, Freitas will lose most if he faces Soares: which of them will win the battle for the ASDI?

#### Soares the Pinch Hitter

While Pintasilgo seems to be standing still, Mario Soares is beginning to make progress, and above all, his position is starting to stand out more clearly. In the first round, he has made a snail-like advance (he who has been racing around the country!) from 12.9 percent in the previous poll to a distressing 13.5 percent this time. But in the second round, he is beating Pintasilgo for the first time and drawing dangerously close to Freitas do Amaral (in the previous poll, Freitas do Amaral had 42 percent to Soares' 21 percent; this time it is 37.7 percent for Freitas do Amaral and 26.8 percent for Soares).

The explanation is simple, and it defines Soares' position. As a convincing candidate, he is not worth much: few people believe in him. But as a makeshift candidate, he is very valuable--or much more valuable--because the Left may need him to beat Freitas do Amaral, and the Right may need him to stave off

First Round (Freitas, Pintasilgo, Soares, and Mota Amaral)

Candidate	City					Sex		Age	Socioeconomic group					
	Vila					Male	Female		18-44 45+					
	Total	Coimbra	Evora	Lisbon	Porto				Real	Viseu	A-B	C	D	
Freitas do Amaral	27.7	28.9	19.5	29.1	24.2	32.4	32.4	25.6	29.6	23.3	31.6	37.8	25.1	12.5
Lurdes Pintasilgo	21.9	10.4	40.5	21.7	24.2	12.7	12.1	19.0	24.7	21.5	22.3	15.6	23.9	22.7
Mario Soares	13.5	25.5	14.0	9.2	20.8	16.7	24.4	17.2	10.1	16.3	11.0	10.6	14.4	14.0
Mota Amaral	6.4	6.4	11.4	4.2	11.3	10.1	7.4	9.0	4.0	6.0	6.8	12.1	4.9	0.6
None of the above	18.2	16.8	5.7	18.7	17.9	28.1	21.1	19.2	17.2	22.1	14.6	6.3	20.8	46.2
No response	12.3	12.1	8.9	17.1	1.6		2.6	9.9	14.5	10.8	13.7	17.6	11.0	4.0

Second Round

Between Freitas and Pintasilgo

Candidate	City						Sex		Age	Socioeconomic group				
	Total	Vila					Male	Female		18-44	45+	A-B	C	D
		Coimbra	Evora	Lisbon	Porto	Real								
Freitas do Amaral	38.0	33.9	31.5	39.8	34.7	44.3	41.5	41.4	34.9	33.3	42.3	48.7	35.6	13.4
Lurdes Pintasilgo	34.0	13.4	53.5	36.0	33.0	19.1	22.7	30.8	37.0	37.9	30.5	33.6	37.6	25.5
Neither	21.0	40.6	6.9	15.8	29.7	35.7	34.2	23.4	18.7	23.4	18.8	16.1	21.1	57.2
No response	7.0	12.1	8.0	8.4	2.7	0.9	1.6	4.4	9.4	5.4	8.5	11.7	5.7	4.0

Between Freitas and Soares

Freitas do Amaral	37.7	29.3	30.7	40.1	34.4	42.2	37.8	37.6	37.8	37.6	47.1 35.8 13.1
Mario Soares	26.8	31.9	29.8	24.1	32.1	24.4	31.4	22.7	31.4	22.7	22.3 27.9 36.5
Neither	27.1	26.8	18.9	25.4	31.9	33.4	25.7	28.4	25.7	28.4	15.7 29.9 46.4
No response	8.4	12.1	20.6	10.4	1.6		5.1	11.3	5.1	11.3	14.8 6.5 4.0

Between Soares and Pintasilgo

Mario Soares	31.8	33.0	34.8	32.7	28.5	36.7	27.3	35.9	27.3	35.9	43.0 28.6 24.3
Lurdes Pintasilgo	27.8	12.0	52.7	27.7	30.0	13.7	27.3	28.2	27.3	28.2	20.0 30.3 25.3
Neither	32.4	43.0	6.1	29.1	39.9	49.6	37.8	27.6	37.8	27.6	26.3 33.8 46.5
No response	8.0	12.1	6.3	10.5	1.6		7.6	8.4	7.6	8.4	10.6 7.4 4.0

Pintasilgo. The Soares candidacy boils down to this: he is the pinch hitter of Portuguese democracy. His hope is the despair of the third ring.

#### Technical Data on Poll

Universe: Portuguese population over 18 years of age residing in the cities of Coimbra, Evora, Lisbon, Porto, Vila Real, and Viseu.

Sample: 605 individuals.

Sampling: random, stratified by city, nonproportionate imputation. Selection: random: homes selected by the "random route" method and the individual to be interviewed in each home selected by the Kish method. Technique: direct personal interviews using a structured questionnaire at the respondent's residence. Sampling points: six cities, within which starting points were selected. Fieldwork: interviews conducted during the period between 20 and 27 May 1985. Margin of error: in total, the margin of error is  $\pm 4$  percent within a confidence interval of 95 percent with  $p = 50$  percent. Polling institute: the poll was conducted by NORMA, Limited, the Portuguese member of Gallup International.

11798

CSO: 3542/200

POLITICAL

PORTUGAL

# FREITAS PREFERS SOARES TO PINTASILGO AS ADVERSARY

Lisbon EXPRESSO in Portuguese 8 Jun 85 pp 1, 24

[Text] Diogo Freitas do Amaral admitted this week that he preferred Mario Soares over Lourdes Pintasilgo as his opponent in the second round of voting for president. Freitas do Amaral explained his preference by saying that although he believes he will win, "there is always the possibility of defeat"--and Mario Soares would be a better president than Pintasilgo because his actions would be "more constructive" for the country.

In that connection, a source linked to the candidacy of the former CDS [Social Democratic Center Party] leader confided to us that the conviction exists that in the second round, Freitas would beat Soares more easily than he would Pintasilgo. "Because," the source said, "it will be easier for Mario Soares' voters to vote for Lourdes Pintasilgo than it will for Lourdes Pintasilgo's voters to vote for Mario Soares."

The same source also said that the people linked to Freitas do Amaral's candidacy are convinced that the PSD [Social Democratic Party] will eventually support him. That possibility has supposedly been facilitated now by Cavaco Silva's victory at the party congress, since fear of supporting Freitas do Amaral is said to have been due to the fragility of the PSD and the danger of disintegration--a danger that ceased to exist as soon as Cavaco Silva became party leader.

The source in question said: "A strong PSD will not have any complexes about supporting Freitas do Amaral."

On this subject, and according to a poll commissioned by the former leader of the CDS, 80 percent of the Social Democratic voters will vote for Freitas if the PSD does not run its own candidate, while 20 percent will vote for Soares. If the PSD does run its own candidate, that candidate would supposedly receive 50 percent of the vote from his own party, while 40 percent would vote for Freitas and 10 percent would vote for Mario Soares.

Freitas do Amaral has said, however, that if he is elected to Belem Palace, he will be an "arbitrating" president and will not take responsibility for political initiative, which will continue to be the responsibility of the prime minister.

Freitas says: "It would not be ethical if, after becoming a candidate, I started advocating a strong presidential system." Besides, he says, a president of the republic who comes from a small party cannot claim the seat of power for himself. Freitas do Amaral's first step as president would be to dissolve Parliament, since he feels that at that time, "advantage must be taken of the dynamics of victory to reconstitute the Democratic Alliance."

Meanwhile, the general outlines of the campaign have been sketched out. Until September, Sa Carneiro's former deputy prime minister "will navigate at cruising speed," limiting the number of his initiatives and interviews (the first interview will be granted to O PRIMEIRO DE JANEIRO, a newspaper with which he has ties), lectures, luncheons, and debates. The tempo will pick up at the start of September, with rallies and three big banquets in Lisbon, Porto, and Coimbra.

The presentation of Freitas do Amaral's election platform is scheduled for the first part of July.

This entire schedule may be altered, however, if Parliament is dissolved and early legislative elections are held. The members of the election team have no idea what the strategy should be if that happens.

11798

CSO: 3542/200

POLITICAL

PORTUGAL

# CAVACO SILVA SEEN GAINING FROM COALITION BREAKUP

Lisbon EXPRESSO in Portuguese 8 Jun 85 p 3

[Article by Jose Antonio Saraiva]

[Text] There are those who still do not understand why Cavaco Silva broke up the coalition.

The reason is simple: Cavaco broke it up because he could not do anything else.

Cavaco Silva rose to the position of party leader by cultivating an image of "toughness" and promising "change."

But his entrance into the government would give people the exact opposite idea concerning him. On a personal level, it would be seen as giving in, and on the political level, it would represent the renunciation of "change" in favor of "continuity."

But there is another reason for Cavaco's attitude.

If the coalition continued, Cavaco Silva would be Mario Soares' deputy prime minister.

That being the case, how could Cavaco stay on as deputy to the very presidential candidate that he intends to defeat 6 months from now?

The question will now be asked: what will Cavaco gain from the breakup?

He will certainly gain more than he would if the coalition continued.

He will gain if Eanes forms his own government because he will then enjoy great freedom of movement--the same freedom, incidentally, that Sa Carneiro enjoyed during the Pintasilgo government.

He will gain if the Socialist Party [PS] forms a government alone because his party will then be the biggest party in opposition to a government that will also be opposed by the CDS [Social Democratic Center Party] and the PCP.

And he will gain if Parliament is dissolved and the president calls early legislative elections.

Imagine that that is what happens and that Cavaco Silva challenges Lucas Pires to reestablish the Democratic Alliance [AD] immediately.

What might happen?

In other words, how will the CDS chairman respond?

There are only two possible responses: either he will accept the idea or he will reject it.

Let us suppose that he rejects it.

In that case, the PSD [Social Democratic Party] could accuse the CDS publicly of boycotting a return to the thinking of Sa Carneiro and of favoring victory by the Socialist Party. The situation would be even more serious if Freitas do Amaral also supported the resurrection of the AD, leaving Lucas Pires isolated in the rightist camp.

If that happens, it is probable that a good many CDS voters will prefer to vote for Cavaco Silva--whose "linear" language perhaps penetrates more deeply into a certain element of conservative opinion than the "circular" language of Lucas Pires does. And then, benefiting from the transfer of votes from the CDS, the PSD would increase the number of its voters considerably and come close to equaling the PS or even surpassing it in size.

Now let us suppose that Lucas Pires accepts.

In that case, the combined vote for the PSD and the CDS would always surpass the number of votes for the PS--and the Right would again be able to form a government, with Cavaco Silva as prime minister.

So Cavaco Silva will come out ahead no matter what happens. In the worst of cases, he will increase the PSD's percentage of the vote, and in the best of cases, he will succeed in becoming prime minister.

It remains to be said that if that happened, Cavaco Silva would be in a position of strength with respect to his party and also the voters. That would then enable him to decide whom he wants as far as the presidential election is concerned: he may support Freitas do Amaral or he may run for president of the republic himself.

11798

CSO: 3542/200

POLITICAL

PORTUGAL

#### PRC REPORTEDLY SENDS CADRES TO MACAO FOR TRAINING

Lisbon EXPRESSO in Portuguese 18 May 85 pp 1, 24

[Excerpt] A source close to the president told EXPRESSO that China wants to "kick off" negotiations on the question of Macao during Ramalho Eanes' visit to Beijing, which will begin next Tuesday, but does not intend to resolve the issue definitely.

The same source revealed that the Chinese have not shown any hurry to accelerate the negotiations, admitting that the integration of Macao under total Chinese sovereignty may occur after that of Hong Kong, scheduled for 1997 under the terms of last year's Chinese-British agreement. "But if China does not want to recover Macao in 1997, it will be in the year 2000," added the source, "never much later than the transfer of powers in the British colony."

At the time Portugal and China established diplomatic relations at the end of the seventies, the small enclave of Macao, with an area of only 16 square kilometers, ceased to possess colonial status and became considered "Chinese territory under Portuguese administration."

In the talks prior to Eanes' trip, the Beijing authorities have reportedly made it known that they are not interested in having Almeida e Costa remain as governor of Macao (whose term is to be renewed this year). According to a reliable source, the Chinese have assessed Almeida e Costa as a "man of the empire," with military experience in Mozambique at the time of colonial domination and without much understanding in the political area. For this reason, they have expressed the desire to see another governor prepare the transition of powers phase in the enclave. Acknowledging that the territory underwent great economic development under Almeida e Costa's administration, Beijing, nevertheless, has pointed out that that was due more to the dynamic of Macao itself than to the initiatives of the present governor's administration.

#### Belem-Macao Relations Cooling

The relations between the president and Almeida e Costa seem to have cooled sharply in recent months, especially after the governor was in Lisbon a short time ago "angling for Mario Soares' support to remain as head of the Macao administration," according to a presidential source. (It should be recalled that the next governor will be named by the president of the republic to be elected at the end of this year).

Joaquim Letria, who was in Beijing and Macao a few days ago as Eanes' envoy to prepare the presidential trip, has even reduced contacts with Almeida e Costa to the essentially protocolary level.

In the meantime, it is known that the Chinese Government has been sending cadres to Macao at the rate of 100 a month, which is interpreted as an effort to form an Asiatic administration capable of guaranteeing integration, since the senior employees of the present government are practically all Portuguese. As a matter of fact, owing to the lack of training of local cadres by the administration (unlike what happened in Hong Kong), the Chinese are especially seeking to avoid a government vacuum after the departure of the Portuguese.

Also noted in the territory is the emergence of a "third force" of young technocrat cadres and businessmen independent of Beijing with scant ties to Almeida e Costa, the lead figure of which seems at this time to be Deputy Alexandre Ho. It is acknowledged that this group may also assume an important position in the future administration under Chinese sovereignty in view of Beijing's interest in proceeding with the development of the territory.

8711

CSO: 3542/182

POLITICAL

SWEDEN

PAPER VIEWS FALLDIN, CENTER PARTY DECLINING SUPPORT

PM031432 Stockholm DAGENS NYHETER in Swedish 27 Jun 85 p 2

[Editorial: "The Center Party Has the Key Role"]

[Text] It was clear at last week's party congress that party leader Thorbjorn Falldin has gotten out of step with the Center Party's activists. Now the magazine VECKANS AFFARER's party leader barometer shows that Center Party voters' confidence in Falldin is falling. Less than 70 percent consider him to be an asset to his party. In past polls the Center leader--like other party leaders--had figures around 90 percent.

This setback can partly be explained by Falldin's long absence through illness which fired speculations. The fact that a Center newspaper, LANS-POSTEN in Orebro, had the "news" of his resignation contributed to the report's credibility. As in the case of [former Liberal Party leader] Ola Ullsten a few years ago the feeling spread that it is only a question of time before the party leader resigns. In such a situation the leader is not a real asset to his party.

Center voters' views on Falldin's stances in favor of savings in sickness insurance and against a reduction in value added tax on food are not known. However, it is clear that the Center Party's congress pushed through decisions against the will of the party leader and that as a result it gave a picture of dissonance. The conclusion that Falldin has lost his formerly so firm grip on the Center Party is enough to explain the decreasing confidence in him among voters.

In the same edition of VECKANS AFFARER there is a party popularity barometer in which the Center Party has worse figures than in corresponding polls during the life of the present Riksdag. The poll's 12.5 percent, however, agrees well with the results of other current opinion polls. This hints that the party is on its way to yet another election setback, which in terms of seats is hardly like to be offset by the party's electoral cooperation with the Christian Democratic Union. How then will the Center Party behave after the election? At the party congress it was noticeable that, like the party leader, the party's circle of former ministers--Karin Soder, Nils G. Asling, Anders Dahlgren--met with less sympathy among delegates. The exception was Olof

Johansson, who has come increasingly to represent both the "green" younger generation in the Center Party and the party's traditional kernel. Regardless of whether Thorbjorn Falldin resigns after the election or remains in his post for a while longer, there is in the Center Party a mood tending toward less nonsocialist cooperation and more result politics across bloc boundaries combined with emphasis on the issues which give the party its own profile--a strategy which Olof Johansson develops in a recently published edition of the ideological magazine POLITISK TIDSKRIFT.

Johansson's description at the party congress of the years of non-socialist coalition government as "a constant struggle" expresses a negative view of the possibilities of continued cooperation. If there is a nonsocialist majority after the fall's election the Center Party, regardless of its own results, will make far-reaching demands for its participation in a three-party government--perhaps with the ulterior motive that it is best if the attempts breaks down at the start. The irritation shown by the Moderate Coalition Party and the Liberal Party when Thorbjorn Falldin demanded that the Riksdag's decision that nuclear power must be run down be rewritten into a government program is merely the start of such a tug-of-war.

However, it seems as if Olof Johansson wants to exploit the Center Party's position in the center to exert influence on the "green" issues: energy, the environment, agriculture. In POLITISK TIDSKRIFT he expresses the dual ambition of reducing the polarization that has been produced by the social democrats and the Moderates and at the same time preventing cooperation between these two parties on energy policy. He does not draw the express conclusion that the Center Party should seek cooperation with the Social Democrats but allows it to be read between the lines.

Party leadership changes in the Agrarian Party [party's former name]/Center Party have in several cases been combined with a change of political course. The best known example is Axel Pehrsson of Bramstorp, who forced out his predecessor and then indulged in horse-trading with [Social Democratic Leader] Per Albin Hansson. The election of Thorbjorn Falldin as Gunnar Hedlund's successor, on the other hand, gradually brought with it stronger ties with nonsocialist cooperation than at any time in the party's previous history.

The pendulum now looks to be on its way back. The question which presents itself is whether the Moderates and the Liberal Party have been fully aware of Thorbjorn Falldin's decisive role in the formation of a nonsocialist majority government--the fact that the Moderates have pushed party leader Ulf Adelsohn so strongly as prime ministerial candidate would indicate that they have not. The changes taking place inside the Center Party mean that a government shift from the one bloc to the other cannot be taken for granted in the event of a nonsocialist election victory.

CSO: 3650/266

POLITICAL

SWEDEN

# VPK CHAIRMAN ON PARTY'S ROLE IF SDP WINS ELECTION

Stockholm DAGENS NYHETER in Swedish 8 Jun 85 p 9

[Article by Ake Ekdahl]

[Text] "VPK (Left Party Communists) wants to create closer ties with the Social Democrats both inside and outside parliament if the socialist majority continues after this fall's elections. We want cooperation in more ordered and formalized forms, but we are not demanding any cabinet positions."

VPK leader Lars Werner made this statement to DAGENS NYHETER.

Last Friday the VPK party leadership discussed its election manifesto, which contains a statement on party cooperation between VPK and the Social Democrats. Some party leaders want to press this issue and recommend a coalition between the two labor parties.

But this will not be the final wording in the election document presented to the public today, Saturday.

"We cannot continue to work in parliament with this combination of playing 'chicken' and speculating. We have had enough of that in the past 3 years. VPK is interested in creating a dialog with more ordered forms of cooperation. This may involve relations between our parties in parliamentary committees or contacts established in some other way," Werner said.

No Vanity

"As a personal declaration, I would say that I, as the leader of a party with 6 or 7 percent of the vote, should never join the government of a party such as the Social Democrats, which is many times larger. I can satisfy my vanity in other ways," the VPK leader said.

Several days ago he had a long conversation with his Finnish counterpart, Communist Party leader Aarne Saarinen, who actually warned him against accepting cabinet seats.

"I intend to follow Saarinen's advice and example and remain outside the

government if, contrary to expectations, I should be asked to join. Acceptance of cabinet positions by VPK would be unfortunate for several reasons."

#### Example

Werner said that VPK did not reject participation in the government as a matter of principle, but said it would be harmful to the future of the party.

Werner said he was responsible for the discussion within VPK over the cabinet issue. He stated himself how this had occurred.

"Last February at a meeting of our youth organization I wanted an uninhibited discussion on what position VPK should take with respect to the Social Democrats if the present government won the elections. I wanted to discuss what VPK should do tactically to be included in government discussions, since VPK is not a government alternative in any real sense. Then the though-provoking question was raised as to whether we should demand cabinet positions."

#### Ordered Forms

Since then, the debate has continued within the party and there are many members of the executive committee and other party organs that, regardless of whatever else they may believe concerning cooperation and compromises with the Social Democrats, have advocated demanding cabinet positions so that VPK might share responsibility for the policies a labor majority could carry out in parliament.

Werner does not see this demand as realistic, but he wants the cooperation that has developed in recent years in the committees to be expanded in certain cases in order to establish cooperation in parliament because, "Natural cooperation in ordered forms can be created on more extensive political issues."

Werner also believes that the debate over Communist cabinet posts involves political risks, both for VPK and for the voters' position toward the socialist majority. In any event, the debate could force parliament to reject publicly cooperation with VPK, since this could frighten voters on the right wing of his party.

#### Can Defeat

Cooperation between VPK and the Social Democrats has attracted much attention this parliamentary term and Werner sees it as an ongoing process.

One current example of this is the question of whether VPK should support or defeat the government's proposal to increase the excise tax on automobiles. This question will come up on the last day of parliament, Tuesday of next week.

Last Thursday evening the Finance Committee invited the VPK leadership to lunch at Rosenbad to discuss the matter. Undersecretary Bengt K. Johansson

took C. H. Hermansson aside and discussed solutions to the excise tax question behind closed doors. VPK is still waiting for the government's offer.

#### No Repeat

"I have made one thing clear. VPK does not want to see a repeat of negotiations at the podium in parliament," Werner said.

That was what happened during the "milk war" in the fall of 1982 when Palme pretended to understand the demands made by VPK only when he stood at the podium and realized he was facing a defeat in the upcoming vote.

9336

CSO: 3650/258

MILITARY

FEDERAL REPUBLIC OF GERMANY

DEVELOPMENT, INTEGRATION OF RPV'S IN GROUND FORCE PLANNING

Bonn WEHRTECHNIK in German May 85 pp 60-69

[Article by Karl Schnell: "Pilotless Small Aerial Vehicles of the Army--A Status Report"]

[Text] Remotely piloted vehicles [RPV's] are about to initiate a new era in armed forces weapons technology. Contributing to this are new developments, particularly in the electronics area. Retired General Dr Karl Schnell, former CinC, Allied Forces Europe and later state secretary in the Federal Ministry of Defense, has, as a result of his intensive study of the war in Lebanon (See WEHRTECHNIK 6/84), come to the conclusion that the RPV's future role must not be underestimated in combat and reconnaissance in Central Europe either. This article is based on his own thoughts as well as on presentations and discussions by German military and industrial representatives at a Department of the Army briefing. This meeting, chaired by Lt Gen Dr Werner Schaefer, Secretary of the Army and conducted by Brig Gen Engineer Raimund Rothenberger, Chief of Army Materiel, emphasized the great significance of RPV's for the Army.

In his presentation to the German Society for Defense Materiel on 8 May 1984, Chief of Staff General Wolfgang Altenburg reported on the need for strengthening the conventional defense capability and the resulting impact on Bundeswehr planning. The latter has now been submitted and is based on the requirement that for purposes of effective deterrence the conventional armed forces must be organized and equipped in a way which would "enable them to prevent the overthrow of the NATO defense by surprise attack as well as overrunning those forces following a full-scale operation" (WEHRTECHNIK 7/84).

Taking the threat analysis into consideration the Bundeswehr Plan for the 1990's, published in 1984, made a significant change in priorities. Among them are two areas which are particularly relevant to the balance of this article, namely

- improved reconnaissance and
- the use of modern technologies to improve, among other things, the capability of attacking the enemy's rear areas.

Improved reconnaissance permits the optimum increase in firepower and mobility of army forces and enables them to spot more quickly and to attack more effectively the movements of enemy armored forces, their artillery as well as the configuration of the enemy's air defenses.

The use of modern technologies for the capability of attacking enemy rear areas indicates interference with his follow-up capability and use of second echelons. This is a requirement which primarily enhances the survival capability of friendly forces which raises the nuclear threshold and which in fact only becomes possible with the introduction of long-range army weapons, e.g., the MARS artillery missile launcher.

Comprehensive implementation of these priorities and requirements has been made possible by the explosive tempo of development in the area of the RPV's and sensor technology.

#### Israel as a Pioneer in their Use under Wartime Conditions

The initial development of RPV's dates back to World War II, when pilotless flying targets were needed for testing guided and antiaircraft weapons. A number of countries have been engaged in further development of such vehicles, commonly referred to as drones, for more than two decades, with the objective of converting their passive role as target simulators into the active mission of target reconnaissance. The next step was to satisfy the requirement of transmitting the reconnaissance and target data obtained in real time, thus being able to proceed to the immediate attack of targets, even if they are in motion.

The Israelis very quietly developed two RPV's, the SCOUT and the MASTIFF, and used them successfully and surprisingly for the first time in 1982 in the war in Lebanon. In my investigations of this war in Israel and in Lebanon, the planned, varied and extremely successful use of RPV's made the greatest single impression on me, along with the deployment of a great number of new weapons on both sides.

#### Many Potential Uses

The Israelis showed a surprised world in how many different ways RPV's can be, and indeed, were, used:

- in peacetime, for border surveillance;
- for monitoring an advance and combat activity;
- for reconnaissance of enemy armor concentrations and artillery emplacements, and for subsequent post-strike damage assessment;

- for the guidance and control of air force close air support missions;
- especially, for reconnaissance in the rear areas of the battle field: detection and pursuit of second echelon movements;
- for electronic warfare purposes;
- for monitoring takeoffs and landings on forward-area Syrian airfields.

Skeptics tried to deprecate the successes of the Israeli RPV's and discounted their applicability and potential use in the Central European area:

- SCOUT and MASTIFF, they claim, are only "blue sky" aerial vehicles which, in European weather conditions with their many days of low cloud cover, would be too vulnerable to enemy air defense;
- RPV's equipped solely with TV cameras could be used only below the clouds, since a TV sensor cannot penetrate clouds and haze;
- data transmission from the ground controller to the RPV is too vulnerable to interference.

Despite the fact that the Israelis were aware of these shortcomings, they courageously proceeded with this step into hitherto unexplored territory. In the meantime they have been able to reduce these system weaknesses with great success.

However, in the meantime progress in the areas of sensors and resistance to radio interference, even in Europe, has been made with the result that the RPV will attain considerable importance in modern combat. Added to this is an expansion of its functions: equipped with a variety of warheads, they turn into true weapons which can effectively be used to attacks hard and soft targets, e.g., armor, artillery, radar, and as electronic interference sources.

#### RPV's in Bundeswehr Planning

Realizing the importance of this new reconnaissance and combat tool, the Minister of Defense has therefore budgeted for 1989-97 DM 650 million for target acquisition RPV's. However, funds for antitank combat drones are not budgeted until 1997.

The author is aware of the shortage of funds available to the armed forces in view of increasing salaries and the procurement programs for army, navy and air force for the impending third-generation weapons. Considering the fact that until the end of 1989 the army will receive 200 medium-range missile launchers and that the presently available CL-89 reconnaissance system and the CL-289, which will enter the inventory until 1990, fulfill today's technical performance potential in only a limited fashion, it becomes questionable whether the above timing gives sufficient weight to the great significance of these new reconnaissance and combat systems. In view of the threat, but also in consideration of the East's technological capabilities, it is incumbent

upon us to strive for accelerated application of technologies available to the West and to maintain the still existing lead in microelectronics so as to be able to neutralize the conventional superiority of the Warsaw Pact to a greater degree than today.

#### Classification and Categorization

The great variety of different designs of RPV's either in the inventory or under development and their various designations require that they be categorized. The following classification is suggested:

A clear nomenclature should be arrived at as soon as possible so that standardized concepts will be used within the Bundeswehr as well as in its collaboration with industry.

The table [Table 1] shows the great variety of systems capable of executing the basic missions of reconnaissance, target acquisition and target destruction, and how difficult it is in view of the tempo of technological progress to determine those systems today which will meet military requirements appropriate to the threat in the 1990's.

#### Military Requirements

Basically, RPV's are to accomplish the following military specifications:

- day, night and all-weather (cloud) capability;
- full mobility on the battlefield;
- RPV control, transmission of pictorial data and their interpretation in the ground control station in real time;
- flying time in excess of 4 hours;
- undisturbed remote control and data transmission to permit their use and effectiveness even in the face of enemy ECM;
- adequate navigational and flight control accuracy during individual mission segments;
- adequate target acquisition, to include large surfaces, through appropriate sensor range from distances (altitudes) of more than 2,000 meters;
- target acquisition accuracy of 50-250 meters CEP [circular error probable];
- survival capability, especially against enemy antiaircraft systems;
- great engineering dependability;
- ease of operation of the entire system in takeoff, flight and landing;
- to hold down costs, avoidance of excessively complex systems.

## Target Acquisition and Battlefield Surveillance

The following additional tasks exist for target acquisition and battlefield surveillance RPV's:

- detection, recognition and taking a bearing on stationary and moving targets;
- tracking the movement of recognized targets;
- damage assessment of targets hit by other weapon systems (barrel artillery, missile launchers, attack drones, air force);
- penetration to a depth of 150 km with sufficient search flight time for fast-flying, long-range drones.

## Combat Drones

The following additional capabilities are incumbent upon combat drones, whose main mission will be to destroy second echelons, armor, artillery and air defense positions (radar):

- sufficient search flying time (with and without prior reconnaissance);
- accurate target acquisition and navigation to the target with the aid of appropriate endphase sensors;
- warhead configuration for effective use against hard or soft, stationary or mobile targets;
- survival capability in the final approach phase (e.g., through steep power dive);
- option for coordinated development in formation against large surface targets.

## Electronic Warfare and Communications

Drones used in the electronic warfare (EW) and communications area require special configuration for the varied uses and missions. RPV's used for long-distance communication EW countermeasures and as relay drones for friendly radio and directional transmission, each has special requirements for the specifications of the ground control station, configuration of the platform (aerial vehicle), flight range, altitude, data transmission and sensors--criteria which cannot be discussed in detail in this article.

This wide spectrum of military requirements indicates the technical areas of concentration which must be observed by industry in close cooperation with the army. To provide greater insight into the possibility of achieving these military requirements, but also into their realistic limits caused by funding shortages, the following section will discuss in greater detail the criteria for ground control stations, launch and landing procedures, RPV's (platforms),

sensors, aiming heads, data transmission and vulnerability to interference, as well as survival capability. This information is provided without claiming to be all-inclusive.

#### Ground Control Stations

The ground control station is responsible, in its capacity as the central operating station, for the planning, execution, monitoring and final report on mission fulfillment, as well as for the transmission of data obtained to the tactical users, within real time if at all possible.

Only the Israelis have practical combat experience with the problems of housing and combining the many required functions within the limited space of a standard mobile fuselage.

While systems used to date required three servicing areas, namely

- one for liaison with tactical commanders or the appropriate networks (e.g., ADLER),
- one for mission planning, flight control and flight monitoring,
- and one for sensor picture interpretation and sensor operation, two-man stations are being developed which will use digital map presentation systems and increased use of computers in the planning, control and interpretation functions.

However, every manpower reduction (similar to efforts for reducing tank crews from four men to three) immediately entails the necessity for alternate crews.

Finally, the heavy operational requirements (short reaction time, real-time data, good reconnaissance and shortage of personnel) can be met only if today's state of technology is fully used in conjunction with simple functions which are fully automated. Note should be taken of the fact that according to Israeli combat experience one ground control station should be able to operate several RPV's simultaneously.

#### Launch and Landing Procedures

The search for the best launch and landing possibilities has resulted in a variety of procedures. The following are used for launching RPV's:

- catapult ramps on truck bodies: KZO I (Dornier), STABILEYE and PHOENIX (UK), AQUILA SKYEYE (US), SCORPION (France), SCOUT, MASTIFF (Israel);
- a booster, separate from the RPV, which drops off from it after burnout, using a launching device which can be mounted on a truck chassis (CL-289) or containers (KZO MBB, KZO II Dornier).

For landing of reusable drones, two systems have proven themselves:

- catching it in a net, or

- various types of parachute landings (regular landing parachutes with shock absorbers, guided gliding chutes with landing shock absorbers).

Dornier's captive helicopters are in a class by themselves:

- ARGUS I: a tethered platform (maximum tethered altitude: 450 m);
- ARGUS II: a guide beam-tethered carrier for flight altitudes of up to 3,000 meters.

It is evident that there are no standard launch and landing procedures for the different types of RPV's. The choice of optimum systems depends on factors which must be weighted differently for each individual case:

- the type of mission (reconnaissance, combat);
- the form of deployment (individual or in formation);
- weight of the platform and payload;
- slow or fast flight (e.g., the CL-289).

Also, it is important to consider the possibility of peacetime use.

We should note that for purposes of storage, transport and launch operation the container system has advantages which should not be underestimated: quick readiness for use, great launch frequency (important for combat RPV's to be flown in formation), mobility, all-weather capability and concealment on the ground.

#### Aerial Vehicles

The following table [Table 3] (from WEHRTECHNIK 10/84) provides an overview of firms in Europe and the United States engaged in development and construction of reconnaissance drones. Beyond that, work is proceeding in several countries on the development of combat and electronic warfare drones.

Most RPV's are characterized by a simple design, which is however made sturdy through use of synthetic materials. To satisfy the required long range, they are equipped with 20 to 30 PS two-cycle engines driving push or pull propellers. The aerial vehicle, the platform itself, must be designed in such a way that it can fulfill the requirements which are new in its combined tasks: simple launch procedure, containerization, long search-flight time with optimum camouflage in all phases and, for combat drones, great target approach accuracy.

Dornier has taken an entirely different approach with its ARGUS captive helicopter platform. The improved model (ARGUS II) is an untethered, pilotless, guide-beam-controlled helicopter with battlefield radar which however can operate only above friendly territory and for reconnaissance purposes (target location).

Apart from data transmission (in real time), the sensors which provide image signals are the RPV's most important component. While the Israelis, who benefit from prolonged clear-weather periods, could be satisfied with stabilized TV cameras in their SCOUTs and MASTIFFs, we in Central Europe require sensors which can deal with our type of weather conditions and which can accomplish missions beyond pure reconnaissance.

Today's sensor technology is capable of satisfying specifications which are required of it--but at great expense!

The following are used as sensors:

- cameras
- TV cameras
- thermal image instruments
- radar and radiometric sensors.

They come in many types, mostly rigid and partially coupled with laser range-finders for accurate determination of the location of the RPV and the target. Optical cameras have the disadvantage of their inability to penetrate clouds--the RPV's are thus forced to fly at low altitudes, vulnerable to enemy air defenses. New developments not only reduce the weight of the cameras, but, in conjunction with new types of film, also improve image converter compensation and considerably enlarge the usable camera angle. Zeiss, in cooperation with the United States, is developing cameras with real-time picture transmission by using additional CCD sensors. Target images transmitted in real time can therefore be more easily retained photographically for later and individual interpretation because of improved image quality.

Thermal image instruments (FLIR) are able, in contrast to optical cameras, to penetrate haze, but not thick clouds. An additional advantage is the fact that these instruments can also be used in darkness without additional target illumination.

Infrared instruments are the optimal sensors for RPV's because of their high resolution, usually good target contrast, detection ranges of up to 7,000 meters and recognition capability up to 2,500 meters. Their great advantage lies in the fact that they are passive, not subject to interference. The limits of their usefulness, apart from their great cost, lie in their great mass caused by a closed-circuit cooling system, in the limitation to their range caused by rain or snow and in their target images' loss of contrast caused by lowered temperatures.

Except for conventional aircraft and captive helicopters, radar sensors have hardly been used in RPV's until now since they are vulnerable to interference by their own radiation. Capabilities demanded of them are recognition of targets in clutter, their identification and classification; resolution of multiple targets as well as rejection of inappropriate targets.

Current projects include the use of these sensors for making measurements and cataloguing them so as to recognize the target and ground signals inherent in their structures and to determine such impacts upon them as weather and seasonal ground conditions. In this way data banks can be established on the signals of a variety of targets which will provide rapid target identification with the help of computers.

#### Data Transmission and Interference Protection

Apart from selecting the sensors, secure and interference-proof data transmission is one of the main criteria of the RPV's versatility and refinement for use. Data transmission is required for:

- transmission of navigation signals from the ground control station to the RPV and to the sensor;
- transmission of image/target data from the sensor to the ground station;
- transmission of data on the condition of the RPV and the sensors to the ground control station.

Because of straight-line wave propagation the location of the ground station must be chosen in such a way that line of sight contact is provided between the ground station antenna and the RPV, unless the flightpath is preprogrammed. Distance, curvature of the earth and mountainous terrain may require interposition of airborne relay stations.

In the Lebanon war, RPV's used by Israel, which were hardly protected against radio interference, were not endangered because of their surprise effect. Failures were caused by technical problems (e.g., carburetor icing at high altitudes) or by faulty navigation from the ground. In the meantime, development in the East has probably progressed to the point that planned interference with the RPV's can be counted on, which is a threat to mission accomplishment and even to recovery of the RPV.

Interference can be reduced or even prevented by using;

- appropriate wideband transmission procedures;
- highly directional antennas (in both ground station and the RPV);
- a high transmission frequency, to limit antenna size;
- digital conversion of image information and reduction of data installments to be transmitted;
- data encoding--encoding certain dynamic transmission parameters into appropriate random sequences.

Simulations have demonstrated that when the above criteria are used, enemy penetration into data transmission systems becomes quite difficult. On the

one hand, technologically sophisticated electronic warfare facilities are difficult to keep ready for action at the right time and in the right place. On the other hand, interference occurs only when the antenna directions of the receiver and of the interference source are aligned. In case of non-alignment the interference effect decreases in inverse proportion to the directionality of the receiver antenna. Also, radio reconnaissance of the ground station is difficult and requires great technological and manpower resources.

#### Target Search Heads

Target search heads for RPV's (combat drones) must be able to perform independent target spotting during the search flight phase; they must have day and night and all-weather capability and be highly deception resistant. The table [Table 4] lists the criteria for the various target search head options.

#### Survival Capability

Apart from protecting the mission capability of pilotless RPV's against electronic interference and deception, particular emphasis must be placed on providing the greatest possible survival capability for recoverable and reusable drones. In the final analysis, the effectiveness of these systems is determined by cost and numbers of multiple uses in comparison with the attained deployment effectiveness.

The main physical threat to RPV's consists of hand-held weapons and ground-based air defense (ZSU-23/4), particularly in those cases when the individual RPV during the course of its mission (e.g., target monitoring) flies within range of a number of antiaircraft weapons--especially when it is forced to fly below cloud cover. RPV's are detected by:

- air surveillance and fire control radar;
- acoustically (propeller noise);
- visually;
- by short-range infrared systems (SA-7).

In addition, combat drones in their final approach to the target are particularly vulnerable to the weapons of the target itself (e.g., machineguns) or to enemy facilities protection. A power dive in conjunction with accelerated approach speed reduces this threat and the time available for enemy counter-measures.

Radar signature, altitude and time spent above the enemy battle area exercise significant impact on the survival capability of RPV's. Additional support measures can be taken such as neutralizing enemy radar with anti-radar RPV's or interference by jammer drones. In general terms, the RPV's survival chances can be enhanced by incorporating the following design features:

- reducing external measurements to the minimum;

- using radar-absorbing or radar-permeable materials and shapes;
- noise insulation of the powerplant.

Those RPV's have the best chances of survival which have sensors enabling them to operate at high altitude and above the clouds.

IFF is a vital survival criterion for RPV's just as it is for aircraft and helicopters.

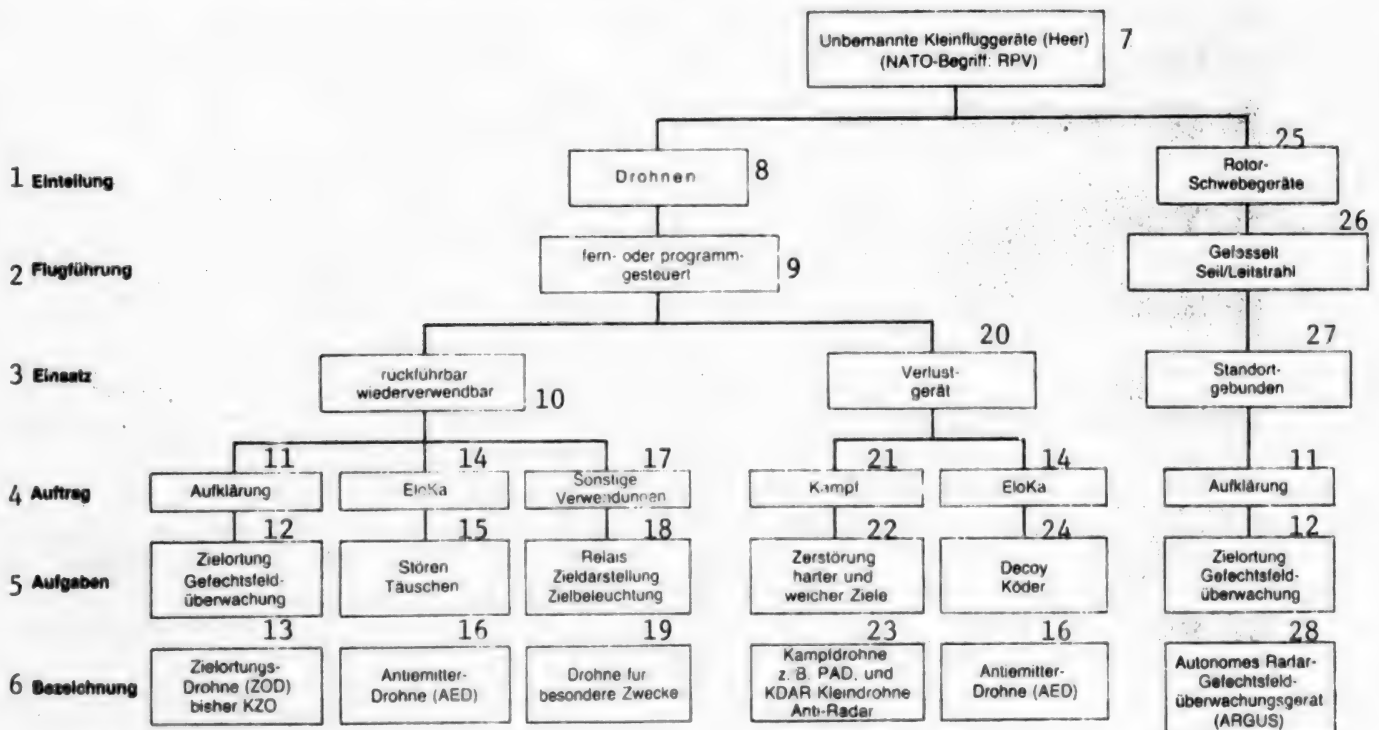
#### Summary

There can be no doubt that RPV's are introducing a new era in the weaponry of armed forces. Development in electronics has progressed to the point where RPV's can successfully be used in Central Europe as well.

They would enable NATO to close the still existing gap in early detection of enemy second echelons. In addition, RPV's configured as combat drones are capable of attacking targets in the rear areas of the battlefield and to fulfill electronic warfare missions in a broad spectrum.

We must make every effort to enhance the combat capability of our armed forces by introducing this new reconnaissance and attack resource while keeping track of cost, inasmuch as we can assume that that the Warsaw Pact states will not remain inactive in this area either.

Table 1. System Categories of RPV's



[Key on following page]

Key:

- |   |   |
|---|---|
| 1. Category   | 14. Electronic Warfare  |
| 2. Navigation Method                                  | 15. Interference, deception                                   |
| 3. Type of use  | 16. Anti-emitter Drone (AED)                                  |
| 4. Mission  | 17. Other uses  |
| 5. Tasks  | 18. Relay, target imaging, target illumination                |
| 6. Designation  | 19. Special purpose drone                                     |
| 7. Pilotless Small Aerial Vehicles (Army) (NATO: RPV) | 20. Expendable item   |
| 8. Drones   | 21. Combat  |
| 9. Remotely guided or programmed                      | 22. Destruction of hard and soft targets                      |
| 10. Retrievable, reusable                             | 23. Combat drone (e.g., PAD) and KDAR Small Drone, Anti-Radar |
| 11. Reconnaissance                                    | 24. Decoy   |
| 12. Target location, battle-field surveillance        | 25. Rotor hovercraft  |
| 13. Target Location Drone (ZOD) (formerly KZ0)        | 26. Tethered by cable or guide beam                           |
|   | 27. Restricted to anchor site                                 |
|   | 28. Autonomous Radar Battlefield Surveillance System (ARGUS)  |

Table 2. Military Requirements, Necessary Capabilities for Battlefield Use of RPV's

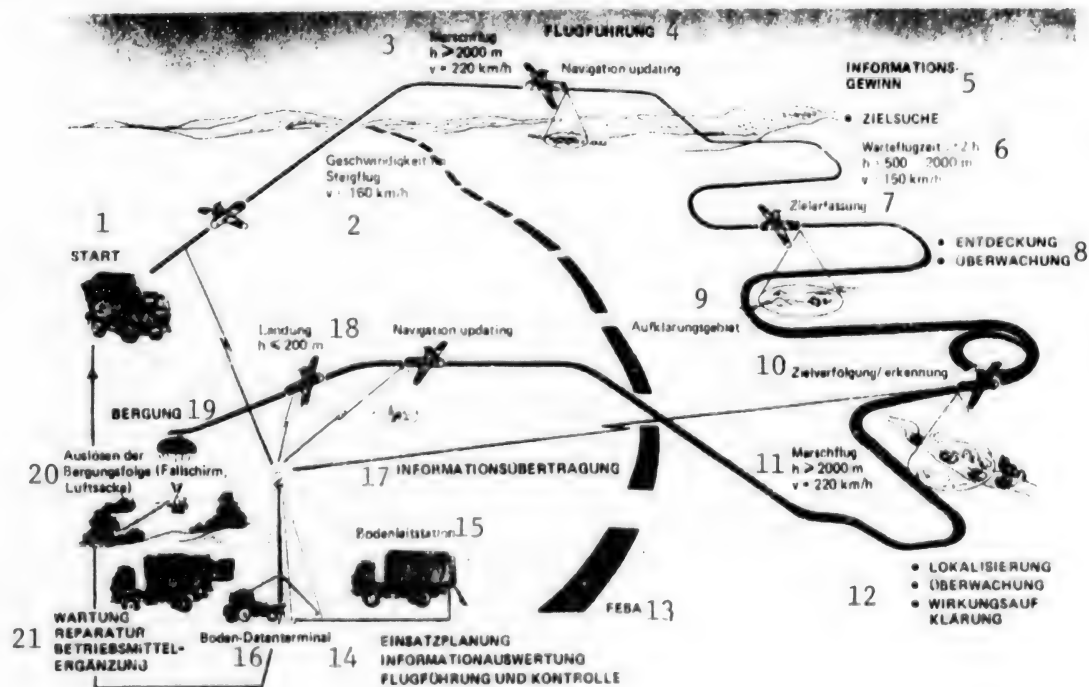
Funktionen 1	Eigenschaften 8	Einflußgröße auf Kosten/Nutzen durch 15		
		Fluggerät 6	Suchkopf 17	Führung 18
Bodenbetrieb 2	Munitionscharakter 9 Containerstart			
Technische Zuverlässigkeit 3	Klarstand >80 % 10 Missionszuverlässigkeit >95 %			
Führung 4	Navig. Genauigkeit Geführter Einsatz - "freie Jagd" Schwarm-/Einzel-Drohnen 11			
Zielerfassung 5	Sensor-Reichweite (PAD >1500 m; AED >5000 m) Suchflugzeit Geführter Schwarm - "freie Jagd" 12			
Überlebensfähigkeit 6	Entdeckbarkeit Steiler Sturzflug Angriff im Schwarm Verwundbarkeit bei Treffer 13			
Wirkung im Ziel 7	Autonome Echtziel-Einweisung Anfluggenauigkeit (CEP) Angriff von oben Angriff im Schwarm Gefechtskopf Wirkung 14			

Key:

1. Functions
  2. Ground Operation
  3. Technical Reliability
  4. Guidance and Control
- [Key continued on following page]

5. Target Acquisition
6. Survival Capability
7. On-target performance
8. Characteristics
9. Type of munition, container launch
10. Availability > 80 percent  
Mission Reliability > 95 percent
11. Navigation Accuracy Guidance and control: targets of opportunity  
Formation or single flight
12. Sensor range: PAD > 1500 m; AED > 5000 m  
Time available for search flight  
Controlled formation: targets of opportunity
13. Detectability  
Steep power dive  
Attack in formation  
Vulnerability after hit is made
14. Autonomous real target allocation  
Accuracy in final approach (CEP)  
Attack from above  
Attack in formation  
Warhead impact
15. Extent of impact upon...  
Cost-Effectiveness through...
16. RPV
17. Search head
18. Guidance and Control

Figure 1. Operational Sequence for RPV's in Target Acquisition

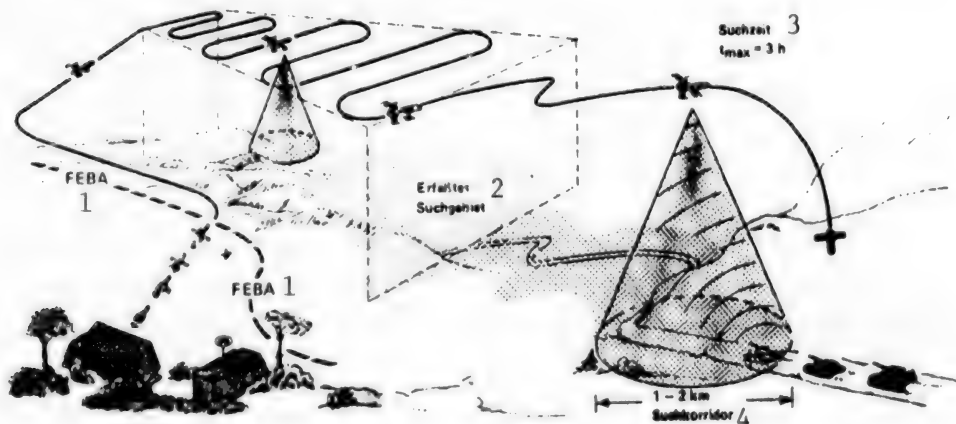


[Key on following page]

Key:

- |   |   |
|---|---|
| 1. Launch   | 12. Pinpointing, Surveillance, Damage Assessment          |
| 2. Climbing speed: 160 km/hour                              | 13. Forward Edge of Battle Area                           |
| 3. Cruising altitude > 2000 m, cruising speed: 220 km/hour  | 14. Operational Planning Information Analysis             |
| 4. Flight control   | 15. Ground Control Station                                |
| 5. Data gathering   | 16. Ground data terminal                                  |
| 6. Holding flight time > 2 hours                            | 17. Data Transmission                                     |
| Altitude 500-2000 meters                                    | 18. Landing (altitude: < 200 m)                           |
| Speed 150 km/hour   | 19. Recovery  |
| 7. Target acquisition                                       | 20. Initiation of recovery sequence (parachute, air bags) |
| 8. Discovery, Surveillance                                  | 21. Maintenance, repair, refueling                        |
| 9. Area for reconnaissance                                  |   |
| 10. Target tracking/recognition                             |   |
| 11. Cruise altitude > 2000 meters, cruise speed 220 km/hour |   |

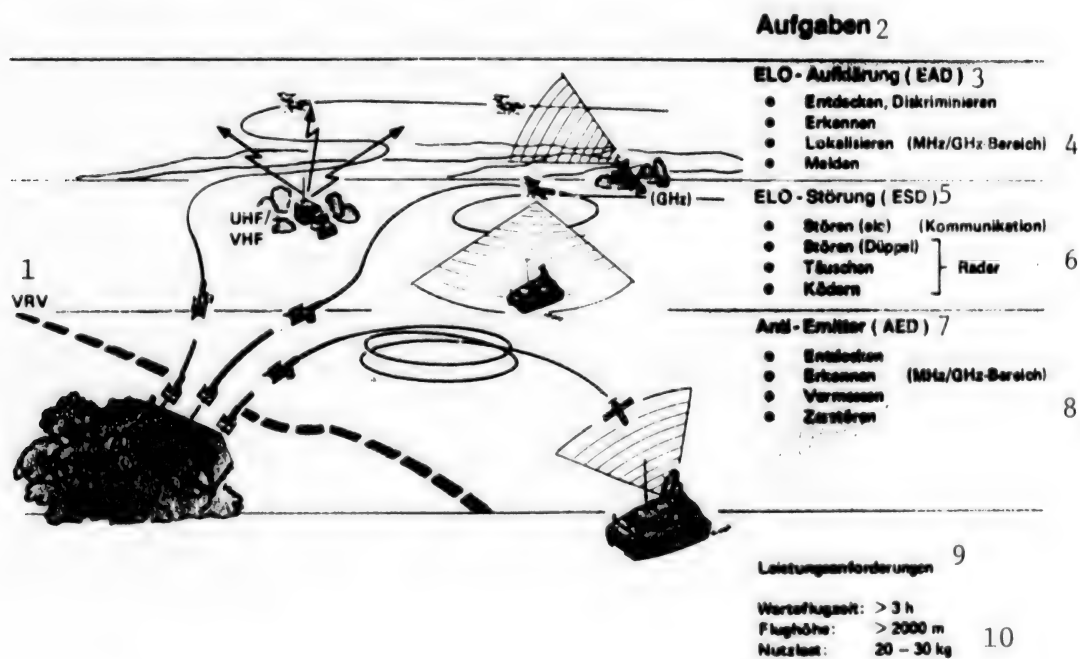
Figure 2. Mission Components for Search Flight and Cruise of RPV's for Target Acquisition (KZO)



Key:

1. Forward edge of battle area
2. Area covered by search
3. Search time  $t_{max}=3$  hours
4. Search corridor

Figure 3. Small Drones May be Used Also for Multiple Tasks in Electronic Warfare



Key:

- |                              |                                     |
|------------------------------|-------------------------------------|
| 1. Forward edge of defense   | 6. EW Interference (Communications) |
| 2. Tasks                     | Radar interference (chaff),         |
| 3. EW Reconnaissance (EAD)   | deception and decoying              |
| 4. Discovery, identification | 7. Anti-Emitter                     |
| Recognition                  | 8. Discovery                        |
| Pinpoint (MHz/GHz range)     | Recognition (MHz/GHz range)         |
| Report                       | Survey                              |
| 5. EW Interference (ESD)     | Destroy                             |
|                              | 9. Required Performance             |
|                              | 10. Holding flight time: > 3 hours  |
|                              | Altitude: >2000 m                   |
|                              | Payload: 20 to 30 kg                |

Table 3. Several RPV's are in the Development Stage in the United States and Europe--Only Israel Has Operational Systems

Land 1	Firma 6	Systembezeichnung 7	Techn. Status 8	Status 16 Regierungsprogramm	Nutzer 25
USA	Lockheed Lear Siegler E-Systems	AQUILA SKYEYE R4E-40 E-130	System entwickelt 9 System entwickelt 9 System entwickelt 9	Truppenerprobung 17 Erprobung Ende 84 18 Experimental-Progr 19	US-Heer 26 US-Heeresflieger 27
Großbritannien 2	GEC AVIONICS/Flight Refueling BAE	PHOENIX STABILEYE	Vorentwicklung 10 System entwickelt 9	Entwicklungsphase 20 Experimentalprogr. 21	Heer 28 --
Frankreich 3	Matra	SCORPION	Experimentalprogramm 11	Definit. Phase steht bevor	Heer 28
Italien 4	Meteor	MIRACH 20	Flugerprobung 12	TAF liegt vor 23	Heer 28
Israel	IAI Tadiran	SCOUT MASTIFF	System operationell 13 System operationell 13	Nutzung 24 Nutzung 24	Luftwaffe/Heer 29 Luftwaffe/Heer 29
Deutschland 5	MBB  Dornier	TUCAN KZO  KZO I KZO II	Flugversuche 14 Konzept 15  Konzept 15 Konzept 15	Experimentalprogr 21 Definitions-Phase steht bevor 22 Definit. Phase steht bevor 22 Definit. Phase steht bevor 22	-- Heer 28 Heer 28 Heer 28
Taktische Forderung 23					

Key:

- |                             |                                 |
|-----------------------------|---------------------------------|
| 1. Country                  | 16. Gov't Program Status        |
| 2. Great Britain            | 17. Field testing               |
| 3. France                   | 18. Testing End of '84          |
| 4. Italy                    | 19. Experimental Program        |
| 5. [West] Germany           | 20. Development Phase           |
| 6. Manufacturer             | 21. Experimental Program        |
| 7. System Designation       | 22. Definition Phase Impending  |
| 8. Development Status       | 23. Tactical Requirement Stated |
| 9. System developed         | 24. In operational use          |
| 10. Preliminary development | 25. User                        |
| 11. Experimental program    | 26. U.S. Army                   |
| 12. Flight testing          | 27. U.S. Army Aviation          |
| 13. System is operational   | 28. Army                        |
| 14. Flight testing          | 29. Air Force/Army              |
| 15. Design                  |                                 |

Table 4. RPV's can be Fitted with a Great Variety of Target Search Heads

	AKTIV 7		PASSIV 11		
	mmW 8	HF 12	IR-CCD 15	Akustik 19	
Ziele 1	<div><div>- Panzer</div><div>- Artillerie</div><div>- Hubschrauber</div></div> 9	<div><div>- Radare</div><div>- Störer</div><div>- Kommunikationsstrecken</div></div> 13	<div><div>- Panzer</div><div>- Artillerie</div><div>- Hubschrauber</div><div>- LKW</div></div> 16	<div><div>- fahrende Panzer</div><div>- Artillerie</div><div>- Hubschrauber</div></div> 20	
Allwetterfähig 2	90 %	100 %	70 %	98 %	
Reichweite/Korridor-Breite 3	- 1500 m / 1 km	> 7 km	- 1500 m / 2 km	- 1500 m / 2 km	
Genauigkeit 4	< 2°	< 4°	< 1°	< 15° / < 5°	
Stand der Technik 5	Vorentwicklung Prototyp 10	Serie/ Prototyp 14	Vorentwicklung 17	Experimentalladium 21	
Kosten 6	fallend 18				

Key:

- |   |   |
|---|---|
| 1. Targets  | 14. Production/prototype                  |
| 2. All-weather capability                             | 15. Infrared-CCD                          |
| 3. Range/Corridor width                               | 16. Armor, artillery, helicopters, trucks |
| 4. Accuracy   | 17. Preliminary development               |
| 5. Development Status                                 | 18. Falling                               |
| 6. Cost   | 19. Acoustic                              |
| 7. Active   | 20. Moving armor, artillery, helicopters  |
| 8. Millimeter Band                                    | 21. In experimental state                 |
| 9. Armor, Artillery, Helicopters                      |   |
| 10. Preliminary Prototype                             |   |
| 11. Passive   |   |
| 12. High Frequency                                    |   |
| 13. Radar, interference sources, communications lines |   |

[Figure 4--p 69: Caption] Dornier's Concept for the ARGUS II Hover Flight Vehicle.

9273

CSO: 3620/371

MILITARY

FEDERAL REPUBLIC OF GERMANY

URBAN, FOREST WARFARE OBLIGES MODIFIED INFANTRY DOCTRINE

Bonn TRUPPENPRAXIS in German May 85 pp 260-267

[Article by LCOL Karl-Heinz Golla: "Some Thoughts About the Role of Infantry in Tomorrow's Field Army"]

[Text] The debate following publication of the articles by Koch/Bauers entitled "Some Thoughts About Armored Combat Troops of the Future" in No 3/1982; by Schuetze/Rommel entitled "Some Thoughts About the Use of Armored Infantry Units in the Future" in No 7/1983 and in particular the article by Koch, entitled "Armored Infantrymen 90" in No 12/1983 has shown how great the interest among the ground forces in this topical subject is.

This debate is presently being continued and enlivened by the following article. The author, who was a member of the operations staff prior to his current assignment to SHAPF, takes a critical look at COL Koch's "Armored Infantrymen 90" article and deals with the role of the infantry units of the future from a point of view more oriented toward battlefield conditions.

The conceptual plans for future combat units that have been published over the past 3 years or so by some officers concerned with planning for the ground forces call for gradually improved armored infantry units to take over the role of the standard infantry units of the field army. This proposal was discussed in some detail in COL Koch's article "Armored Infantry 90" in No 12/1983 of TRUPPENPRAXIS. Here are some of the salient points contained in that article:

- There is an imperative need for the "personnel armored vehicle" main weapon system for armored infantry units.
- In mobile combat where types of combat quickly change, infantrymen who are irreplaceable in short-distance combat must be equipped and structured along the lines of armored infantry units.

- In the final analysis, only armored infantry units are capable of holding on to territory for any length of time and of recapturing lost territory.
- The main weapon system of the armored infantry units is opposed by the enemy BMP weapon system or its successor.
- The ability of the Warsaw Pact regiments to conduct operations independently with a mix of weapons makes it incumbent on our line battalions to use a mix of battle tanks and armored infantry units.

Unfortunately, the author does not devote enough space to a discussion of these basic ideas or the arguments for proposed solutions or still, to a discussion of alternative possibilities.

There are two areas in particular which would have warranted detailed analysis.

First, it would have made good sense to integrate the discussion concerning the armored infantry units into the overall picture of the essence and function of future infantry units.

Secondly, it would have been imperative to analyze in some detail the combat effectiveness of the German type armored infantry units. The fact is after all that the basic idea of our armored infantry units originated under entirely different conditions from those which obtain today.

In this connection, it would probably have been quite useful to look beyond our own immediate concerns. It might provide food for thought for example that the ground forces of all the nations which might become involved in a European war contain a clearly discernible number of active units—some of them self-contained major formations—which have expressly been trained and equipped for combat on foot. Would it not be in order therefore to ask why none of these ground forces—insofar as they are made up of mechanized units—have adopted a mix of battle tanks and armored personnel carriers at the infantry battalion level? Is it not worth noting that the Israeli army which has probably had greater experience than any other in combat against modern armored units did not decide on creating German-style armored infantry units?

In my view, therefore, we should first of all look into the question of the impact which factors affecting actual combat have on the use of infantry units as such. This would have to lead into a discussion of how infantry units can and/or must be used in combat. Only then can we proceed to the matter of organization and equipment.

Using this proposition as my point of departure, let me now develop my ideas concerning the field army's infantry units of the future.

## Main Types of Combat

The primary characteristics of the ground forces of the potential enemy are the numerical superiority of his combat and combat support troops, the fact that they are almost entirely equipped with armored vehicles and trained primarily for offensive operations. Without any particular risk of misinterpretation, we may assume that the unit commanders of the potential enemy would seek out above all those conditions in combat where the advantages of armored units could best be used to achieve their objectives.

Our own forces would therefore have to concentrate on conducting combat operations under these anticipated conditions.

The chances of their succeeding against the enemy ground forces operating along their characteristic lines will depend on how well prepared our own forces are to meet them.

To be able to carry on combat operations which favor the use of armored forces—which, for the sake of simplicity, I would like to refer to as "armored combat"—we will need, in the first instance, the kind of weapon systems which are capable of successfully countering enemy combat vehicles and combat support vehicles.

Classical types of infantry units, I think, will be needed in "armored combat" only in those instances where the enemy cannot be prevented from taking advantage of the terrain to make combat decisive gains by other means or in other ways.

The more deliberately terrain is selected for the use of weapons systems in "armored combat," the smaller the need for conventional infantry units is likely to be.

These ideas are more easily realized than it would appear at first glance.

In my opinion, wherever the enemy is able to operate primarily with armored vehicles, we will also find acceptable conditions for the use of optimal weapons systems of our own to counter them. Considerations along these lines might lead to the conclusion that we could reduce the need for infantry units of our own in such combat situations.

It seems that it will frequently be possible to prevent the enemy in combat from taking advantage of densely covered terrain to achieve combat decisive gains by sealing off access thereto and exits thereof by means of fire and obstacles. Modern weapons systems such as tank destroyer combat vehicles with extendable platforms, armor-piercing sub-ammunition with area effect and semi-intelligent antitank barrier equipment will make such interdiction measures even more effective in the future. In this way, many a situation could be avoided in which a numerically strong infantry unit would have

to be used to prevent the enemy from taking advantage of densely covered terrain by engaging in dissipative combat at close or very close range.

We should be very careful about using the term "combat decisive significance." Small groups of houses or small sections of forest which are situated like islands in otherwise armor-favorable terrain will be of major importance in armored combat operations only on very rare occasions. In view of the density, precision and effectiveness of heavy weapons fire, I think that this type of terrain will not afford particular protection either to enemy infantry units or our own—particularly in those situations where defense positions are hastily manned. But even if they operate from well established positions, infantry units on foot being used there will rarely have an opportunity of effectively participating in "armored combat" since they can be pinned down in short order by heavy weapons fire until such time as the "armored combat" operation has been decided in their engagement area. I am convinced that a handful of combat vehicles, taking advantage of the natural protection of such terrain to augment their armor can be used more effectively and flexibly in such situations than infantry units on foot.

One should also take a good hard look at the frequently stated argument according to which armored vehicles suffer a decided loss of combat effectiveness in limited visibility situations. It would seem to be less of a problem to equip them with a variety of high-efficiency sensors to correct the limited visibility disadvantage than to provide infantry units on foot with such equipment. For this reason, a number of combat assignments which we presently feel cannot be discharged except by dismounted infantry units—particularly as regards surveillance and combat security—can be handled equally well by armored combat vehicles.

#### Mission of Infantry Units in Combat

The field army and those segments of the air force assigned to operations against enemy ground forces will have even more effective weapons systems at their disposal in the years to come in their operations against enemy armored units. In view of the increasingly favorable chances of success in combating enemy armored units, it will therefore be possible to plan our own forward defense operations in such a manner that battles will be waged, wherever possible, under the conditions of "armored combat."

The mission of the infantry would then primarily be the following:

Holding or occupying sections of terrain which are of considerable importance to the success of operations—whenever there is no other way of holding them or preventing the enemy from taking advantage of them.

In fulfilling this mission, the infantry will play two different roles, I believe:

1. It will be an integral part of the forces immediately engaged in "armored combat" by taking advantage of their striking power. In fulfilling this part of the mission, the infantry will be expected quickly to neutralize those enemy forces which threaten to interrupt the flow of our own operations.

2. It will serve as an independent element in those combat situations which do not allow for an engagement along the lines of "armored combat." This use of the infantry will be characterized in most instances by lengthy, hand-to-hand combat at close and very close range to achieve territorial gains and will thus call for a large number of soldiers engaged in combat on foot.

The considerable differences between the operating conditions enumerated above do not allow for the creation of one specific type of infantry unit in the field army of tomorrow, I think.

#### The Infantry as an Element in "Armored Combat"

As one element of the forces immediately engaged in "armored combat," it is of overriding interest to the infantry to achieve quick settlement of situations which call for its use. Once the interplay of fire and movement of the forces engaged in combat against armored enemy units has been interrupted or severely interfered with, the enemy whose mobility is equal to ours in "armored combat" will often be able to adjust to the situation or take matters into his own hands. But quick reactions on the part of our infantry units will only be possible, if they have been integrated in far forward positions and can reach their area of operation even under the threat of the fire of the those enemy forces engaged in the "armored combat."

The heavy dispersal of various types of ground cover throughout our country as well as the rapidly alternating types of terrain make it appear likely that situations could arise again and again under conditions of "armored combat" within the combat sectors of individual units which would necessitate rapid action on the part of infantry units. That is why I believe that there is a need for making infantry units an integral part of tank battalions. I think that an organic mix at the command level of the unit would be of little use and would actually be counterproductive with regard to command, supply and training.

The vehicles and weapons provided to the infantry units needed in "armored combat" must be oriented toward the operational conditions in such combat.

The vehicles must have armor protection and mobility equal to battle tanks.

The weapons must be tailored primarily to the task of being able to overpower dismounted enemy units in prepared sites and buildings as well as infantry units in armored vehicles in short order.

Units must be organized as simply as possible in order to avoid time-consuming operational planning and preparation during actual combat.

In my view it would be best to provide the infantry units which are to be integrated into the tank battalions with heavily armored personnel combat vehicles which are as mobile as battle tanks. The cargo area should be large enough to accommodate a 6-man infantry squad. The argument in favor of 1 + 5 squad strength as well as the weaponry will be presented below.

The main weapon of the infantry combat vehicle should be a machine cannon which can be used with great effectiveness against infantry units in prepared sites and buildings, against semi-solid targets up to medium range combat distances as well as against solid targets up to a distance of about 500 meters. In view of the fact that the desired effectiveness will call for a larger caliber weapon (my feeling is that it should somewhere between 30 and 40 mm) an external mounting or perhaps a semi-external mounting (as in the Thyssen-Henschel "escort" tank) might be indicated. It is conceivable that this weapon could be used against attack helicopters but this should not result in the vehicle's being assigned an "additional primary mission." It would be desirable to install a light automatic mortar for attacks on targets situated behind covers at distances (of perhaps 1,000 to 1,500 meters at most) at which enemy infantry weapons might be used against the infantry combat vehicles. But if it has been established that organic high-angle weapons are in a position to provide immediate fire support for the infantry units, even at close range, then the installation of the light mortar in the infantry combat vehicle would become unnecessary.

It would seem that there is practically no need to point out that this type of combat involving infantry units—which I think rightfully deserve the old designation of "armored infantrymen"—requires the support of the battle tanks of the unit itself. The organizational structure of an armored infantry company as part of a tank battalion is shown in Figure 1.

#### The Infantry as an Independent Element

There are situations which, for the sake of simplicity, I would refer to as "infantry combat" call for action by numerically strong infantry units, operating primarily on foot and using small arms. This type of combat, which may go on for some time, takes place whenever particular sections of terrain the possession of which is of major importance to the success

of one's own operations cannot either be held or captured by the forces optimized for use in "armored combat."

The area in which our own forces can mount a comprehensive defense in the form of "armored combat" is broken by a densely builtup area enemy access to which cannot be covered sufficiently by fire and which presents the enemy with an opportunity to open up a way into the depth with the help of infantry units (as shown in Figure 2).

The enemy has succeeded in breaking through the forces engaged in "armored combat" and in advancing to a densely covered sector full of obstacles where his armored spearheads are presently being checked by the security forces. The unit commander believes he will be able to prevent a widening of the penetration area but will be unable to seal it off. This raises the danger that the enemy will bring up some infantry units and open the way through the abovementioned sector and there be able to stage his armored forces for a thrust into the depth (as shown in Figure 3).

The covering forces are dependent on the fact that they retain control of a defile in back of them until our own forces can come in and protect them as operations shift to a point directly in front of the defile (as shown in Figure 4).

These situation displays indicate, I think, under what conditions such "infantry combat" might actually take place. I hope they make equally clear just what I mean by the independent character of the operations of forces engaged in this type of combat.

I should make one point particularly clear: the commitment of forces to "infantry combat" only becomes necessary in situations which call for retaining control over or capturing densely covered terrain full of obstacles when this mission cannot be fulfilled by other forces, other means or some tactical procedure.

I might also note that the availability of artificially generated smoke which is effective against modern spotting equipment could provide favorable conditions—limited in time as well as in area—for combat operations by dismounted infantrymen even in terrain in which they would otherwise, under normal visibility conditions, be exposed to accurate heavy weapons fire.

I think it is virtually self-evident that the forces needed for "infantry combat" operations must be optimized to do justice to the conditions prevailing in such combat.

## Armored Combat Vehicles in "Armored Combat"

Without a doubt, the units to be used in "infantry combat" must be capable of destroying those armored combat vehicles of the enemy which attempt to support his dismounted infantry units in spite of unfavorable terrain conditions.

This calls for making weapons carriers available to them which meet the following specifications: a high degree of maneuverability; low noise levels and heat radiation; small size and low combat weight in order to take advantage of all types of cover—including inside buildings—and of constant or engineer-oriented transition possibilities of even minimal load; high reaction capability for the opening of firefights in broken terrain as well as NBC collective protection and sufficient armor protection against zone fire and small caliber ammunition.

Since the terrain conditions which apply in the case of "infantry combat" should not permit the enemy to deploy large numbers of armored forces and to commit them to action by taking advantage of their striking power, the number of the integrated heavy antitank weapons systems may be kept relatively small. This seems all the more possible, if the antitank small arms and the armor-piercing barrier weapons provided to the infantry units are available in sufficient numbers and are properly effective.

But in any case, the infantry units should have enough antitank combat vehicles at their disposal as to inflict heavy losses on the combat vehicles the enemy employs to bring up his own infantry units toward defended areas without having to shift weapons systems away from the units scheduled to be committed to "infantry combat." Another requirement will be that the enemy armored units attempting to push past the sectors held by the infantry units must be attacked effectively from there by antitank fire.

Infantry units which have been assigned the task of carrying the attack into densely covered terrain full of obstacles which is held by the enemy will depend on the support of heavy flat trajectory weapons—particularly up to the time that a breakthrough is effected. Generally speaking, these are the only weapons suitable for attacking the enemy who has discovered numerous favorable positions along the fringe zones of the densely covered terrain with accurate fire and the necessary speed.

But the question still is whether the large quantity of weapons needed for such combat phases really must be an integral part of the units taking part in "infantry combat" or whether the support they provide might not also be offered by the forces engaged in "armored combat."

Without a doubt, the "Armored Infantry Battalion 90," proposed by COL Koch, has so many heavy flat trajectory weapons at its disposal that it could for the most part achieve the necessary fire density and fire effectiveness both during the advance and the breakthrough phase on its own. Because they are combined with the carrier, there are limitations to the fire support the machine cannons are able to offer to the infantry units.

#### Genuine Infantry Component and "Infantry Combat"

Since "infantry combat" is primarily carried out by forces fighting on foot, all questions connected with the infantry component in the units earmarked for this purpose obviously assume very great importance.

The "Armored Infantry Battalion 90," proposed by COL Koch, gets extremely bad marks when judged in terms of its potential under conditions of "infantry combat."

According to COL Koch, it is capable of forming six "defense nuclei" consisting of 23 dismounted infantrymen each along a combat sector with a standard width of five kilometers. In a densely builtup or densely wooded area, however, this would hardly suffice to prevent penetration by enemy infantry units.

Since the "Armored Infantry Battalion 90" would probably be able to muster only three shock units or possibly six at most, it would be suited for an attack against an enemy prepared for defense in densely covered terrain full of obstacles only along a very narrow front and against a limited objective. In such a situation, a substantial part of the 47 armored combat vehicles assigned to the unit would probably not be able to provide fire support to the shock units because of the terrain conditions and thus also be unable to offset the disadvantage of the small number of dismounted fighting men.

It seems neither realizable, nor target-oriented to increase the number of infantrymen assigned to the "Armored Infantry Battalion 90" which would meet the requirements of "infantry combat" because of the way in which the main weapons system of this unit has been planned. To create units consisting of two different types of infantrymen would mean dispensing with the advantages to be gained from optimization and making control more difficult. (I might just mention in this connection the problems relating to the paratroop battalions and, in part, to the armored infantry battalion attached to the armored infantry brigade).

I also do not think it is acceptable to create light combat units patterned after the present motorized infantry battalions to meet the requirements of "infantry combat." In view of the artillery and airpower of the potential enemy and the threat posed by NBC weapons, I am convinced that

every infantry unit must have armored vehicles with NBC collective protection at its disposal, if it is to reach its operational areas without substantial loss in combat effectiveness or if it is to stand in readiness close to the frontlines.

Even in such units I believe it is possible to adjust the ratio of infantry fighting men to soldiers having operational support functions in favor of the former.

In mustering forces for "industry combat" therefore, the redistribution of personnel which should preferably be concentrated at the unit level would result in freeing additional fighting men for actual infantry combat functions.

Some of the ways in which this could be done would be to reduce the number of armored combat vehicles to the levels required by "infantry combat" operations; to introduce armored combat vehicles requiring small crews and few "ancillary personnel" and to use armored transport vehicles with large loading areas to accommodate the infantrymen and their combat equipment.

#### Organization/Equipment for "Infantry Combat"

On the basis of the analysis I have presented thus far, I will now turn to my ideas on organization and equipment of the units engaged in "infantry combat."

Preferably, the requisite forces will be concentrated in battalion-size units. Their equipment is to be oriented toward the conditions of infantry combat and should be such as to enable them to master all anticipated combat situations in the operational areas assigned to them--as a rule, under their own power.

There is a need for only one specific type of battalion of this particular kind of infantry. Together with the armored infantry companies attached to the tank battalions, it constitutes one of the two basic types of infantry units of the field army.

Units specifically retained for the purpose of airborne operations and subsequently committed to action in "infantry combat" should be organized and equipped along the lines of this basic type of battalion. This also applies to the number and type of armored combat vehicles; but their layout will be determined by air transport specifications. In principle, even airmobile infantry units should have armored transport vehicles at their disposal.

Let me now cite some of the characteristics of this basic type of "infantry combat" battalion which, for historical reasons such as those which also apply to the designation "armored infantry," I would like to refer to as an "armored fusilier battalion."

The structure of the individual units engaged in close and very close combat should be simple. There should be high leader density at the platoon level and the armored combat vehicles should be integrated in such a manner that they can either be put at the disposal of purely infantry forces or be concentrated at points of main effort, depending on the particular situation.

The material equipment available to the unit should be such that the mass of the soldiers is afforded armor protection against large caliber weapon shells, bomblet ammunition and small arms fire both during motorized movement and while located in assembly areas; that as many fighting men as possible are afforded collective protection in the appropriate vehicles even in the case of an unexpected NBC attack; that a firefight can be waged even in limited visibility situations without substantial loss of target accuracy; that high effectiveness and density of fire can be achieved against enemy positions inside and behind cover; that effective self-defense against low-flying aerial targets, particularly against attack helicopters can be mounted; that effective first barriers and field fortifications can be established quickly by the units themselves and that the unit is capable of carrying large quantities of ammunition and explosive ordnance which are needed for close and very close high-intensity combat operations on its transport and combat vehicles.

In my view, the table of organization of such an "armored fusilier battalion" would look something like the one shown in Fig. 5.

In explaining this table of organization, I will restrict myself to some fundamental observations.

Organization of the staff/supply company would correspond by and large to that of present units of this kind. The reassignment of some personnel, mainly required for the performance of administrative duties during peacetime, seems possible in case of a changeover to national emergency status.

The antiaircraft missile squad should be equipped with a weapons system primarily designed to defend against attack helicopters. Its capability should be sufficient to afford protection to the unit against small numbers of attacking attack helicopters and low-flying aircraft both while on the march and while located in assembly and operational areas. Each of the four antiaircraft missile squads should have one small armored weapons carrier at its disposal. This basic vehicle could also be used for the layout of the battalion commander's command car, for some of the reconnaissance and liaison detachments as well as the forward observer squads

and should belong to the same family as the armored weapons carriers used by the airborne units and the infantry units of the territorial army.

The weaponry of the antitank combat vehicle should be such as to permit successful attacks on armored targets of all types as well as on enemy positions inside buildings up to a distance of about 2,000 meters. In view of the fact that I proposed above that the armored combat vehicles used by the infantry units be capable of engaging in quick reaction fire-fights at close range, I cannot but opt for equipping the antitank combat vehicle with a cannon.

The machine cannon combat vehicle should possess accuracy of fire and a rapid fire sequence so as to be able to **attack** both light armor targets up to a distance of more than 1,000 meters effectively and quickly and eliminate infantry units behind cover at close and medium range. In addition, the unit should be able to use it for antiaircraft defense against low-flying aircraft—the topography permitting. I think that 25 mm should be large enough a caliber for such a cannon.

The mortar provided to the unit should in the first instance take on the function of immediate fire support for the infantry companies against the dismounted enemy inside and behind cover. Fire support for the unit must be supplied by the artillery—which is why one should be satisfied with the existing ranges. But more emphasis should be put on increasing accuracy of fire and reducing reaction time so that the infantry may be provided with support as close and as quickly as possible. Increasing the firing sequence (e.g. with the help of an automatic loading mechanism), would make it possible to divide the fire and thus to provide all the infantry companies with fire support, if the situation calls for it.

Thanks to the availability of artificial smoke for use against modern optical sensors, the importance of mortars in helping to reduce the effectiveness of heavy, long-range flat trajectory weapons should rise. This capability is likely to be of importance to infantry units during the short phases of combat in particular when it is used to counter the enemy's long-range flat trajectory weapons—whereas the "armored combat" forces are likely to depend on such support at all times.

The "armored fusilier platoons" represent the core of infantry combat operations. Which is why I consider it important to elucidate my ideas on their organization and equipment more closely (see Fig 6).

"Armored fusilier platoon" strength amounts to 34 men, six of whom are leaders. For the armored transport vehicles of the platoon, we need an additional four men each, i.e. 3 drivers (for the three vehicles) and one motor vehicle squad leader. Command of the vehicles after the in-

fantrymen have dismounted should be taken over by an NCO/motor vehicle detachment leader, who might also act as motor sergeant.

Platoon headquarters serves as a command echelon and a combat echelon at the same time. The platoon leader and his headquarters unit actively participate in the main point of effort of the combat operations.

In combat, the "armored fusilier squad" squad leader is in charge of five men. He is in a position to survey his squad (which is smaller than those in existence today) at close and very close range even under adverse conditions and to lead the squad both with the help of brief orders and by his own personal example. The job of using the panzerfaust should be given to one specific member of the squad. The grenade pistol provides the squad with one more weapon for attacking the enemy behind armor protection and in cover. The squad's weapons can only be used by one particular soldier at any one time from all conceivable positions and can only be carried by one man in difficult terrain. The squad should have at least one piece of night vision equipment for small arms at its disposal. In addition, every effort should be made to provide unrestricted night operation capability to the squad's antitank small arms. Those who are familiar with the use of such weapons at night are aware of the fact that there are great risks in attacking armored targets, if the panzerfaust gunner must rely on artificial battlefield lighting or on mere low light.

The "support squad" of the "armored fusilier battalion" is in charge of those weapons of the platoon which are used in combat at medium range. The deputy platoon leader (who is the platoon's most experienced NCO) will usually be responsible for the use of these weapons, pursuant to the platoon leader's orders. It is also conceivable that the weapons controlled by the "support squad" could also be turned over to the individual "armored fusilier squads."

The medium range antitank weapon—which will probably be the "Milan" for the time being, albeit with night vision capability—will be used by the "armored fusilier platoon" to attack armored targets immediately confronting it as well as the enemy in strongly prepared sites. (In this context, I would refer the reader to an article in JAMES DEFENCE WEEKLY, vol 1, No 13, April 1984, entitled "Falklands Soldiers Best Friend Was His Milan".) The strength of the antitank squad permits carrying sufficient ammunition in dismounted movement without tying down other members of the platoon. Future weapons systems of this type should be such as to permit attacks against all armored targets at distances between 50 and 1,000 meters—while dismounted transportation of the weapon including sufficient ammunition for it would require no more than two extra men.

The light mortar to be provided to the "support squad" is something new for the infantry units of our armed forces. (Some other armies have had weapons of this kind for some time; the Warsaw Pact forces introduced an automatic version of it just recently.) The light mortar, which should be able to cover distances ranging from 50 to 1,000 meters, will provide the "armored infantry platoon" with an effective means in support of the "armored fusilier squads" in their attacks against the enemy in bunkers and behind cover. In addition, it provides lighting of the battlefield in the field of fire of the platoon's weapons. To my way of thinking, we might introduce a weapon such as the 51-mm mortar that was developed for British infantry, which can be carried and operated by one man—including an ample supply of ammunition.

Organizationally, the platoon's machine guns are also assigned to the "support squad." It was thought unnecessary to provide the "armored fusilier squads" with a machine gun of their own for the following reasons: in close range combat, the squad's automatic rifles should provide sufficient fire density under all conceivable conditions. Wherever the terrain is such as to allow for a firefight at medium range, the attacking infantry units are still likely to be protected by their armored combat vehicles. To pin down enemy units in their positions at medium range usually takes more than mere machine gun fire. For such situations in which machine guns may be put to effective use, the two weapons available to the platoon should suffice in my opinion. Now if two men are needed to operate each machine gun, a sufficient supply of ammunition can be carried along even while in movement during dismounted combat.

The armored transport vehicle should be laid out to accommodate 12 men with their combat equipment plus a driver. The idea would be to be able to carry the bulk of the men's personal equipment along on the armored transport vehicle. (Clothing more appropriate to the conditions of infantry combat as well as the appropriate personal gear might also help reduce the need for space.) Small trailers could also be used to solve a good many of the present supply problems faced by infantry units in contact with the enemy.

Following up on my suggestions regarding the armored infantry units to be integrated in the tank units, let me say that I think that the organization and equipment of the armored infantry squads could be identical to that of an "armored fusilier squad." The conditions under which the two units engage in dismounted combat are virtually the same in both instances.

#### Different Types of Combat

My ideas regarding the various types of combat and the types of infantry units appropriate to them would be incomplete, however, if I did not deal with conceivable situations which call for a transition from one type of combat to another. Here are my views on this subject:

The more clearly a change in the type of combat can be detected in the operational planning stage, the easier it will be to take the proper precautions.

But if unexpected changes in conditions do necessitate the transition to a different type of combat, then the conduct of operations is likely to be determined to a large extent by the speed with which the required troops can be made available.

One would need to go into this issue more deeply and discuss the organization of major formations in connection with the structure of their potential areas of operation; but neither the scope of this article, nor the information available to me permit me to do so.

Let me make an attempt, however, to list some of my basic premises:

I believe that the peculiar nature of the forces of the potential adversary and the operational and tactical behavior primarily to be expected from them make it incumbent upon us to organize and equip the bulk of the combat units of the field army to enable them to engage in "armored combat." Combat support should also be primarily oriented toward this type of combat. The greater the chances of success in "armored combat" are judged to be, the more carefully the defense of our territory in those sectors of the terrain which favor this type of combat should be planned. The characteristics of the area in which forward defense operations are to be conducted and the alternatives available to the enemy—in case he fails to achieve his objectives in "armored combat"—make it incumbent upon us to include some sectors of the terrain in our own operations in which "infantry combat" operations must be conducted.

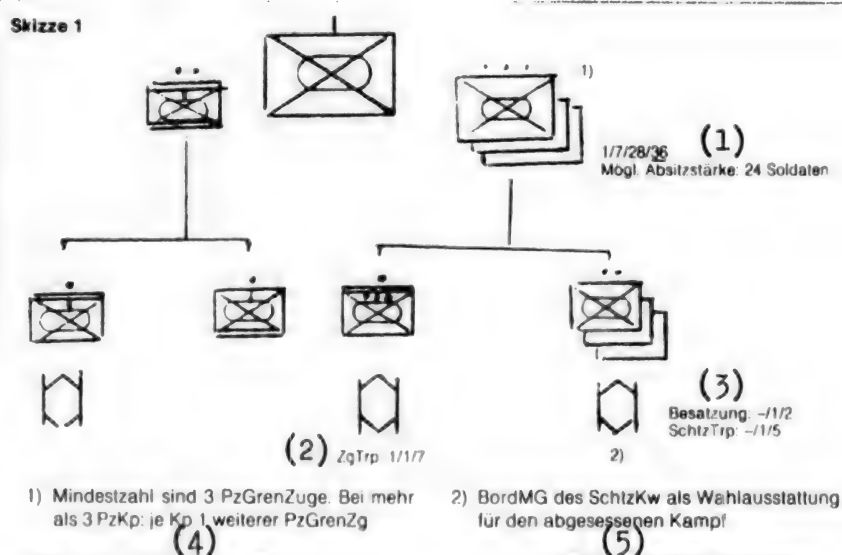
That is why the number of field army units suited for "infantry combat" should be large enough so that success in combat should not be endangered through a lack of capability to hold or recapture sectors of terrain in which infantry units primarily fighting on foot can attain combat decisive importance. I believe it is quite conceivable to assign combat units to large formations on the basis of their mission and of topographical conditions to an even larger extent than today in view of the modern command resources, the high mobility of the units and the high quality of our staff training. Some of our allies, for that matter, are less reticent than we when it comes to assigning combat units to large formations on the basis of their mission and of topographical conditions.

#### Summary

In outlining my ideas regarding the role of infantry in tomorrow's field army, my main purpose was to point out that the primary characteristics of the ground forces of the potential adversary in connection with the technological development of combat resources make it appear incumbent upon us to analyze their mission more closely than has heretofore been the case.

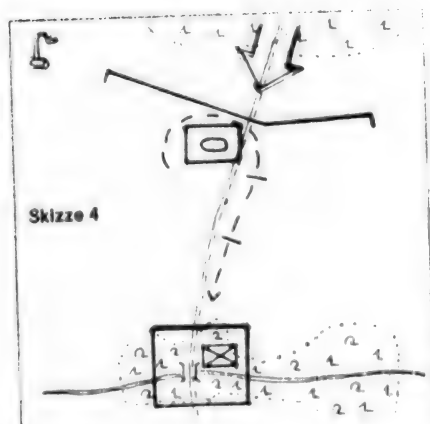
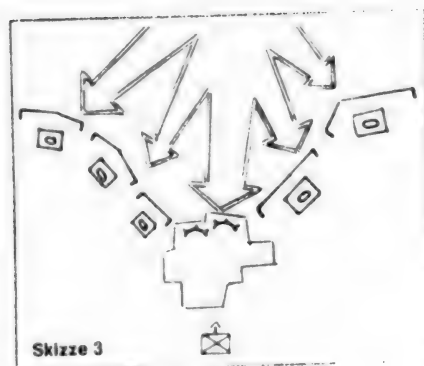
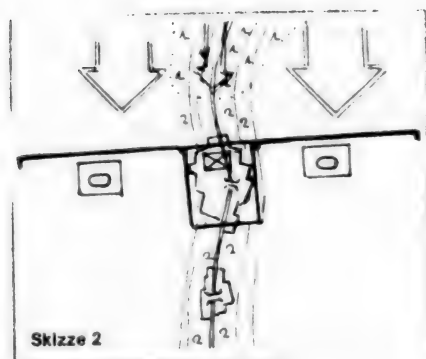
My inference from all this is to call for two coexistent basic types of infantry units of the future field army which, however, should be optimized to be able to fulfill their different missions.

To put it as simply as possible, I am coming out in favor of an economical use of infantry units which is more oriented toward anticipated combat conditions.

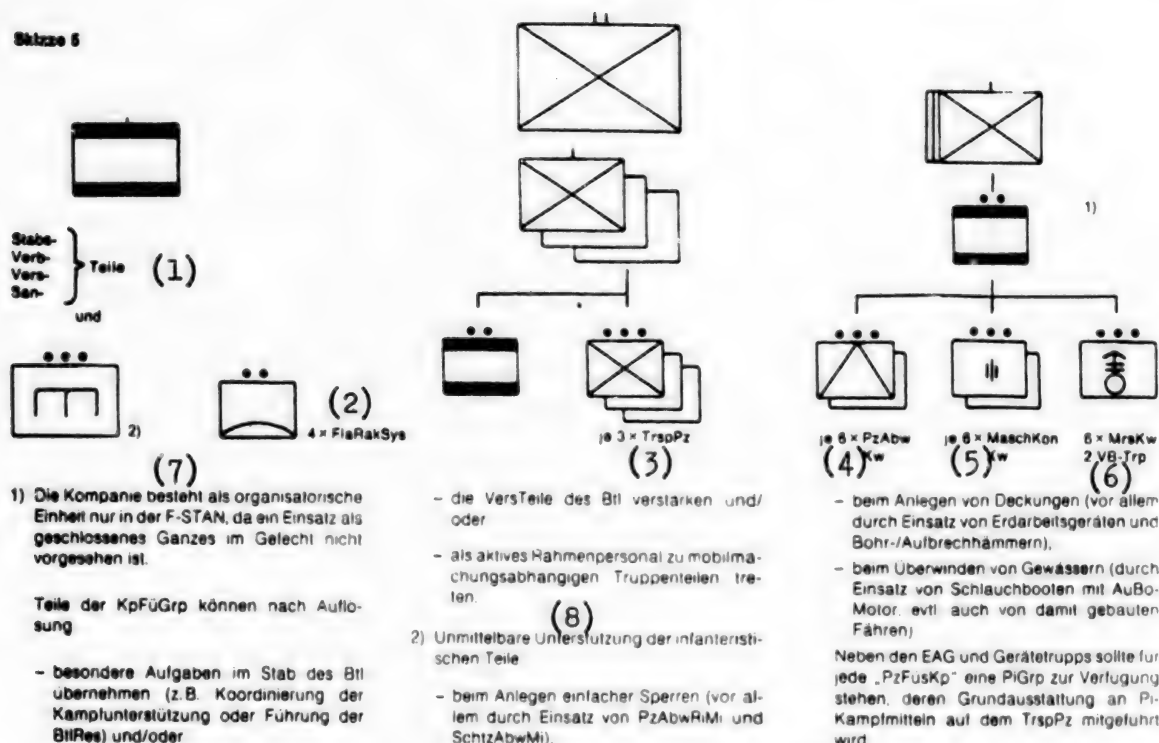


#### Key:

1. Possible strength of dismounted personnel: 24 men
2. Platoon transportation unit
3. Crew; infantry squad
4. Minimum of three armored infantry platoons. If there are more than three tank companies, add one armored infantry platoon to each company.
5. Onboard machine gun of infantry combat vehicle as optional equipment for dismounted combat.



# Skizze 5



## Key:

1. Staff, liaison, supply, medical units
2. Antiaircraft missile systems (4 each)
3. Armored transport vehicles (3 each)
4. Antitank combat vehicles (6 each)
5. Machine cannon combat vehicles (6 each)
6. Mortar combat vehicle (6 each); two forward observer squads
7. Company only exists as organizational unit in peacetime strength table of organization and equipment; its use as a complete unit not planned in actual combat. Following dissolution, different company headquarters elements may take over special assignments of the battalion staff (e.g. coordination of combat support or command of the battalion reserves) and/or augment the battalion supply elements and/or be assigned on active duty to mobilization-dependent units.
8. Direct support of infantry elements in the establishment of simple barriers (particularly by placing antitank and antipersonnel mines); in the establishment of cover (particularly with the aid of earth moving equipment and drills); in crossing bodies of water (with the aid of inflatable boats with outboard motors or ferries constructed from such boats). In addition to the EW and maintenance squads, each "armored fusilier company" should have one engineer squad assigned to it, whose basic supply of explosive ordnance should be carried on the armored combat vehicle.



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FEDERAL REPUBLIC OF GERMANY

# COMBAT SURVIVAL SET AS GOAL OF TOUGHER TRAINING EXERCISES

Munich SUEDEDEUTSCHE ZEITUNG in German 4 Jun 85 p 3

[Article by Kurt Kister: "Suffer from Cold In Order to Survive Better"]

[Text] Vilsingen, May 1985—"Oh my God, it's so dark, you can't see your own hand in front of your eyes," someone can be heard yelling in the night. Through the leaves rustling in the wind and the rain coming down, a man can be heard walking through the woods no more than 12 or 15 meters away from the group. He is slipping on the wet leaves underfoot, breathing hard and apparently bending some branches aside. "Where are you," he whispers just before he bumps into the last man of the marching unit, hard enough to make the steel helmets of the two hit with a clang. The first lieutenant at head of the group of 30 soldiers calls out "quiet, men" and then lets them know that they have reached a difficult piece of terrain. "We're going downhill now," he says. "It's steep and the rocks are slippery; so be careful." In spite of these whispered instructions, the men soon start tumbling down the incline. Much as they try, they cannot get a secure footing in all this darkness. First, there are the leaves, then there are rocks and after that, slippery rocks. They lose their balance, fall down, start sliding and in the end, as they sit on the ground, they start cursing the lieutenant and the Bundeswehr and most of all, this night exercise.

For the ordinary soldier making his way through the steep woods along the banks of the Danube this night at 1:15 am, his uniform soaked, it really is hard to tell what his superiors had in mind when they thought up this type of training under combat conditions. But then how should Pvt Mueller know that this type of training which his unit, the second company of the 253d paratroop battalion, is presently undergoing is the brain-child of LTJEN Werner Lange (part of whose command the company is) which he has called "a soldier's best life insurance." And how should Pvt Brunner know, who was floating down in his parachute onto a large expanse of wet, Swabian farmland 2 hours earlier, that staff officers at corps and division headquarters have been spending a good deal of time on devising plans for making these training exercises "more realistic" once again. Such reflections have in fact led to many Bundeswehr companies going through the same experiences as this particular one—even though the paratroopers have always been accustomed to marching longer distances and going through more obstacle courses than "normal" fighting men.

This new (or rather, rediscovered) formula is called "training under combat conditions." BRIG GEN Peter-Meinrich Carstens, the senior officer responsible for ground forces training in the General Army office, gave us the following reasoning behind this type of training. "It is unfortunate but true that we are as far removed as ever from teaching our fighting men the skills which will enable them to survive on the battlefield and to defend themselves under all conditions. This "shortfall," says GEN Lange (who is one of the three corps commandants and as such commands one-third of all men in the army) is becoming increasingly more noticeable. On his inspection trips, he was repeatedly struck by the fact that training is no longer oriented toward the "realities of war." The soldiers are not given enough of an idea of the "impressions and strains of battle" on the body and the mind. At any rate, the army considers the lack of training under combat conditions enough of a problem for the generals and colonels to have dealt with it almost exclusively at the most recent staff officers' conference in Hammelburg in late April.

At that conference, GEN Carstens cited a long list of deficiencies he felt the peacetime army was generally guilty of. The soldiers frequently were not subjected to physical strain, he said. While on training exercises, the men were supplied with water, heat and food in peacetime fashion. To protect the environment, soldiers were no longer required to dig in and many of them had never heard a shell fly by or explode. They did not go on combat marches—certainly not at night or in bad weather. There were no intensive firing exercises or combined training exercises by different types of units. Carstens called for far more combined training exercises, since these would better prepare the men for the realities of war. "War, after all, cannot be subdivided and compartmentalized either," he said.

In view of this alarm over the state of training of West Germany's fighting men, the generals would have been pleased about the way these second company paratroopers conducted themselves on this rainy night. To be sure, the privates and corporals were not too happy about things—but then it is not really a secret that what pleases the generals makes the ordinary soldier gripe. By now, after completing their 5-kilometer night march through the woods, the men have reached the banks of the Danube and the exercise under combat conditions calls for them to "cross this body of water." No, they are not to use the bridge, which is 20 minutes away, but are expected to cross the river in fairly small rubber boats which bob up and down in the water. The entire crossing is effected by the light of a handful of flashlights. Just so things get even more realistic, it has started to rain harder once more. It is 1.30 am by now; it is fairly cold; their uniforms are drenched; the grassy riverbank is slippery and as for pumping up the inflatable boats it is not much fun either. At the moment, at any rate, there are no signs at all that the men are "soft."

The paratroop battalion commander, for that matter, does not look like the kind of person who would give his men much time to go soft. To be sure, LT COL Frank Gerber prefers to talk about training "under combat conditions" rather than training "under war conditions" and he notes that the paratroops have always trained this way; but he also points out that the renewed debate has had the side effect of "getting things moving" elsewhere, too. Gerber lists three criteria for training under combat conditions. First, the men must be taught to withstand psychological strain. "A soldier has to be flexible," he says, "and he must want to pull through." It is equally important to counter the "inevitable manifestations of a peacetime army," he feels. "When we are out in the field, the weapons are aimed at the man and the vehicles are not massed but are deployed in a dispersed manner and we look to camouflage and security. The whole business stands and falls" with the physical stress a man can endure. "That," Gerber says, "has to be taught over and over again."

#### Political Protest

S/Sgt Kurt Schiller, one of the second company's platoon leaders, puts the training philosophy of his battalion commander into words of one syllable, simply saying "let's go, men." What he means at this particular time is that the time-consuming Danube crossing is over and they should get moving again. They have stopped in the rain for an hour; but they still have a good 20 kilometers to go to get back to the Stetten am Kalten Markt training area.

By now, it is just before 4 am. It is not quite as dark any more but just as wet. The men look a bit like the masked marvel, as they try with little success to use their rubber ponchos to protect themselves against the rain. They have started to move again along the concrete paths laid out as part of farmland consolidation schemes. One-half hour later, they have all begun to march at a rather monotonous but fast clip. In the early morning light, they simply keep their eyes on the heels of the man in front of them, both to keep in step and to keep up with the group. They can still feel the long night's jumping, marching, sliding and river crossing in their bones.

Those who are marching in the direction of Stetten in these early morning hours would hardly think of complaining about the fact that Capt Hans Monauni, their company commander, or battalion commander Gerber are not sticking to the principles outlined in the as yet unpublished defense ministry White Book. "Military commanders must learn how to carry out demanding and meaningful duties along with their men," the new defense report states. "This calls for training for toughness and training under combat conditions, as part of the defense establishment's mission and as part of the responsibility for one's subordinates."

GEN Lange does not argue for more toughness in the everyday life of a soldier simply because he feels that "we must have an army that can

be counted on to fight in case of a national emergency." He himself bicycled to the frontlines as a 19 year-old member of a so-called Hitler Youth tank destruction squad, carrying his Panzerfaust along with him on the handlebars. Lange remembers this as a horrifying example of how senselessly human life is "sacrificed." "If we have a law on the books today that forces young men to become soldiers, then we must train them in such a way that they have a chance, if worse comes to worst." For this reason, Lange issued an order on procedures for training under combat conditions in July of last year which aroused the ire of a number of civilian critics.

Karl-Heinz Hiersemann, the SPD fraction chairman in the Bavarian Landtag, complained that it almost seemed as if Lange were sorry "that the young soldiers were unable to experience a real war in which they might be trained to become tough fighters." Lange's order, he said, accused "young soldiers indiscriminately of being cowards and shirkers." Furthermore, it was incompatible with the principles of leadership and civic education and was tantamount to a call on the instructors to browbeat and drive the recruits. There followed a lively exchange of correspondence between the general and various SPD politicians. Andreas von Buelow, who was parliamentary state secretary in the defense ministry at the time of the SPD/FDP coalition, wrote from Bonn that he not only agreed with the general's instruction but that Hiersemann had no idea what it was all about. Hiersemann and Lange met a few weeks later in order to settle the matter amicably. The uproar subsided and Hiersemann let it be known that a few misunderstandings had been cleared up. The instruction, including all the objectionable phraseology, is still in force today. In retrospect, the general does not feel the need for any changes in wording except that he might expressly add a note saying that the superiors should subject themselves to the "education for toughness" in exactly the same way as their subordinates.

Among military personnel or at least among military officers, Hiersemann's attack on the general resulted in their closing ranks behind their commanding general. It is just possible, one member of the general staff surmises, that the instruction on training under combat conditions would not have aroused all that much interest among the military, if it had not been for the political controversy.

The training planners, at any rate, are now giving some thought to the question of how to make future training programs "more realistic." There are plans to alter the officers training program and the NCOs are to be given better preparation to deal with the matter. BRIG GEN Anton Steer has suggested that a "Handbook for Training Under Combat Conditions" be prepared. At Hammelburg, Steer complained bitterly about the welter of impenetrable, far too detailed and insufficiently updated training manuals. The general staff is also thinking of making greater use once

again of subject material stemming from more recent wars for purposes of instructing younger officers. The Falklands war, in particular, plays a major role in this context. "I cannot recall," said GIN Janssens at the Hammelburg conference, "any other war since 1945 which provided us with more numerous and worthwhile lessons to use in war training programs." In the Falklands more than anywhere, wrote Bundeswehr Lt. General Rüdiger Klier in an article for the Austrian training periodical *WEHRZEITUNG*, units which were "physically tough and accustomed to stress and who were secure in military matters and capable of fighting nighttime engagements" actually made the difference in that war.

To be sure, it is not the mission of the Bundeswehr to capture small islands and there are quite a few people who might ask what good physical toughness would do in helping one survive so-called nuclear combat. One can readily tell that some officers and NCOs, when they start talking about training under combat conditions, are really thinking of reviving some of the supposed "virtues of soldiering." At times, therefore, there are distinct overtones of admiration for the British in the Falklands and the Israelis in Lebanon when the talk gets around to examples from military history. "All of our efforts will not alter the fact that peacetime training can at best approximate actual wartime conditions," one of the speakers at the Hammelburg conference argued. Come to think of it, it is probably just as well for all concerned, if this approximation continues to present a problem.

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CSO: 3620/406

MILITARY

FEDERAL REPUBLIC OF GERMANY

HOME DEFENSE REGIMENT UNDERTAKES NOVEL TACTICAL EXERCISE

Bonn BUNDESWEHR AKTUELL in German 22 May 85 p 2

[Article by G. W. Kaebel: "Within 2 Days We Became a Team"]

[Text] Bremen—"In this place, they make some demands on you and your accomplishments are recognized," said reserve S/Sgt Karl-Heinz Katzmeier almost rhapsodically. In the "Wesersprung" [Weser Crossing] mobilization exercise, conducted by the 72d Home Defense Regiment, Katzmeier was in charge of the field gun platoon of the 723d Motorized Infantry Battalion. Their primary mission was to secure the crossing points during the course of the river crossing.

Katzmeier quit active service 4 years ago. At that time, he was in charge of an antiaircraft gun platoon which was part of an artillery battalion. "Back then, nobody really paid any attention to us as long as we lined our equipment up in a neat row," Katzmeier recalls. Now that he is a member of the territorial army, his duties are more demanding and varied. That is the way it is right from the start when he meets with the 28 men under his command and they all begin to change over from civilian to military life for the duration of the 12-day exercise. Despite the fact that the men are well motivated by and large, he does have to play the part of educator and senior comrade at times. "And of course it puts the men in a better mood once they realize that (aside from the mortars) we have the battalion's heaviest weapons in our platoon," Katzmeier says with obvious satisfaction.

The Bremen regiment, which was not activated until 1983, has brought together the entire command and operational personnel of its staff as well as the battalions and companies for a command post exercise for the first time ever. "For that matter, ours is the very first reserve regiment to design and carry out such an exercise all on its own," says reserve LTCOL Peter Dezelske not without pride. Dezelske, the commanding officer, has already made arrangements with the commanders of other home defense regiments to pass on their experiences with this exercise to them.

Dezelske, who owns a Hamburg moving company in civilian life, is full of praise regarding the attitude of his men. "Within 2 days we became a team," he says. "I am always surprised how quickly the men manage to make the

difficult transition from their workaday lives to their secondary role as soldiers.

Some of the men even came voluntarily and without pay for a weekend, just to make the exercise possible. That included Sgt Katzeier, who otherwise works in his wife's florist shop at the Oldenburg railroad station. "I didn't even have time to think of my flower(s) at all," he said with a great deal of satisfaction at the end of the exercise.

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CSO: 3620/409

## WAR COLLEGE INSTRUCTION ON POST WAR DEFENSE MATTERS

Helsinki HELSINKI'S LÄMMÖN in Finland 2 Jan 47 p 1

[Op Ed Article by Pentti Viisuri]

[Text] The author is a lieutenant colonel. He is an instructor of strategy at the War College and he has compiled an extensive defense doctrine study for the Finnish Military Science Society.

As World War II came to an end it was observed that it is absolutely necessary to conduct a thorough study of the needs and feasible implementation of national defense before the stabilization and finalization of peacetime arrangements.

For the purpose of clarifying this matter the Council of State established a parliamentary-military committee, which began its work in the beginning of June 1945. It was called the Defense Revision Committee in the manner of its predecessor in the 1920s. It did not submit its report until the spring of 1949 because of delays caused by many of the arguments.

## An Unknown Committee

The Defense Revision Committee held an important position in the rearrangement of the defense system. It worked diligently holding more than 200 meetings by the end of 1946 already.

Since defense issues could not be debated publicly in postwar conditions, the committee was not generally given much public attention. In addition, the attitude toward it was one of distrust in political circles as well as among defense personnel so that many erroneous concepts have subsequently had to await correction unnecessarily in the absence of research data.

In a manner typical to Paasikivi's appointment policy, the Defense Revision Committee's chairman was J. W. Keto, who was also chairman of the Executive Council of the SKDL [Finnish People's Democratic League]. The membership was made up of six MP's -- two from the SDP, two from the SKDL, one from the Agrarian League, and one from the RKP [Swedish People's Party] -- as well as five officers, of whom one, indeed, had resigned from regular service. Initially Lieutenant General E. Mäkinen and Professor Yrjö Ruutu were appointed as secretaries.

During the long period of its work the Committee went through several members and secretaries, but the political power relationships remained approximately the same.

In evaluating the Defense Revision Committee's work and achievements, it is good to recall the situational premises in the summer of 1945. Differences between the super powers began to emerge already, but in Finland there was no knowledge of the Soviet Union's strategic plans regarding Northern Europe, which have become a powerful factor, and not even of its attitude toward Finland's independence.

In the initial phase of its work the Defense Revision Committee had to even deliberate whether the mission of our defense forces will be defined in Finland or the Soviet Union. Some of the members initially wanted to resort to an outright alliance with the Soviet Union while the majority, however, emphasized the advantages of pursuing neutrality.

It is worth mentioning that from the very beginning the chairman, in particular, supported the retention of an indigenous and independent defense capability regardless of the fact that the war was over. Soon the committee confirmed that it was advantageous to strive to define the mission of our defense forces ourselves while keeping strategic fundamental factors and the objectives of national policy as premises.

#### YYA [Friendship, Cooperation, and Mutual Aid] Pact

Defense Forces Commander and Infantry General Erik Heinrichs' memorandum, dated 19 June 1945, became the founding document from the point of view of compiling a defense doctrine. It was presented to the Defense Revision Committee in Mikkeli at the end of June and after considerable initial astonishment it was approved in principle as the basis for future work.

At that time it was not yet known that the President of the Republic Marshall Mannerheim and Prime Minister Paasikivi had already negotiated in the winter with General Zhdanov, chairman of the control commission, on the possibility of a limited military cooperation and assistance agreement.

According to Heinrichs, the northern areas were becoming important from the point of view of super power strategy. It would be in Finland's interests to take the initiative in trying to reach an agreement on cooperation with the Soviet Union. Heinrichs announced that cooperative arrangements with respect to the defense of the Gulf of Finland had already been presented to the Soviet Union.

On the other hand, a defense alliance with the Soviet Union would not have been recommendable because of differences in interests. Moreover, the Soviet Union had not concluded any alliances with former enemy countries. A cooperation agreement should not make it possible to use Finnish troops outside of Finland either. The concluding of a peace treaty was also a condition for such an agreement.

Complaints were also made about the... and take the responsibility of the... preparing the report. In fact, the... with the draft phase of the... public and included only a... of the...

The 1949 report emphasized the... while consulting outside of the... by quite evident that no... integrity without... in one form or another.

The prevention of a possible... the goal: 'Effective... prevent an attack on the... the country into a war.'

### A People's Army

In addition to major policy questions, the Defense... statements and presented proposals on many... for conscripts was initially the subject of heated... primarily proposed a service time of 6 months or a transition to a... type system. Economic reasons and the large number of postwar trained reservists were presented as arguments. Nevertheless, they were... with respect to the need for reasonable military training.

The differences were worked out gradually, and the committee reached a compromise by recommending 9--12 months as a general... service time and in addition to that, 40--100 days of refresher training. An additional 120--140 days of supplementary training on a voluntary basis were proposed for reserve officers. The national defense preparation of women was also seen to be necessary, but was not considered to be a timely issue right after the war.

The quality of civic education given the defense forces was the subject of discussion at dozens of meetings. Guidelines for the teaching of history to conscripts were meticulously examined; the familiar arguments favoring left-wing or right-wing thinking were even later placed opposite one another. As time went by a common line was found even in these sensitive questions.

In studying alternatives for a defense system it was confirmed that the cadre system based on compulsory military service, which was already in use, is best suited to Finland's conditions. In the opinion of the committee it in the first place ensured a sufficient combat readiness and also the army's "popularity", which was considered to be especially important.

The transition to an area defense system, at which time it would be advantageous to combine the territorial division of military and civilian administration within the framework of "national defense districts, among other things, was brought up as one of the requirements of organizational development.

Defense forces personnel were often attacked in the postwar situation for domestic policy reasons. They, for their part, did not have an opportunity of even always the desire to make their own views known. The Defense Revision Committee considered many means for improving the flow of information and increasing mutual trust. This also included a demand for democratic control and parliamentary responsibility.

It was proposed that a defense council directed by the prime minister be established to resolve policy and funding questions while, on the other hand, a consulting committee should be established for the defense forces to deal with educational issues.

#### Compulsory Military Service Law

After the 1940s it can be said with a rather great degree of certainty that the work of the Defense Revision Committee was fruitful and lasting. Its report and several separate position statements were compiled competently and generally speaking it correctly predicted development. Many of the proposals were accomplished nearly in their original form.

One of the most important among them was the compulsory military service law enacted in 1950. The event is evaluated as follows in a history of defense administration: "The legislation of a new compulsory military service law was the first step in the return to normal peacetime. After it was enacted, proposals demanding a shorter service time and the abolition of the defense forces also lessened.

The preparation of organizational reform in the defense forces turned out to be difficult. First of all, it was necessary to wait the conclusion of the peace treaty in 1947. Even after that, the interpretation of limits on the strength of the defense forces and of the obligation to surrender so-called surplus armaments remained open until it gradually became evident that the victorious powers did not want to prevent preparations for the mobilization of a reserve force. Thus Finland was left with enough wartime equipment for approximately 15 divisions, which was a significant amount in Europe at that time.

#### Army Strength

The committee expended a considerable amount of time on compiling meticulous strength figures so that in the end the defense minister and defense forces commander were concerned about the delays in connection with these decisions. A prolonged dispute was conducted on offices and duties. The personnel reductions accomplished by the 1952 law have had a detrimental effect on operations of the defense forces to this very day.

However, the Defense Revision Committee could not determine the framework of personnel budgets. In its organizational proposal the committee gave rather precise consideration to the proposals and statements of the defense forces, which also fluctuated from time to time.

Only some funding questions and the position and designation of the area organization (military districts) at that time were the primary reasons for

differences. Even this dispute was, to a great degree, connected with the domestic policy role of the civil guard organization, which had just been disbanded. It was then reflected in the attitude of the left-wing parties toward the military districts.

The proposals regarding the training of reservists have regrettably not been accomplished in all respects. The committee had sufficient statements and studies from war time at its disposal as arguments for the need to make the training of reserve officers more effective. It is difficult to deny their timeliness and validity even now.

The Defense Revision Committee's long work, at times considered painfully meticulous in many quarters, in part prevented the adoption of excessively hasty decisions in placing the defense forces on a peacetime footing. Representatives of the political parties and of the defense forces had an opportunity to become familiar with each other's views in relative peace without outside pressures.

The defense policy decisions were reached rather unanimously and have turned out to be lasting. Even the parliamentary defense committees of the 1970s did not have to make any major changes in them.

10576

CSO: 3617/121

MILITARY

FINLAND

## SECOND HELSINKI CLASS MISSILE BOAT DELIVERED

Helsinki HELSINGIN SANOMAT in Finnish 4 Jun 85 p 6

[Article: "'Varissuo' Becomes Little Sister of 'Kapyla'"]

[Text] The missile boat Turku, which was turned over to the Navy on Monday, will receive as its pet name Varissuo if the Navy's enlisted men continue their postal number policy.

The tactical number of the missile boat's prototype, Helsinki, is 60, and Helsinki 60 is the postal number of the Kapyla section of the city. The enlisted men immediately christened the prototype Kapyla. The missile boat Turku received the number 61, and this postal number belongs to Turku's newest and largest residential suburb, Varissuo.

The series produced missile boats, Turku among them, differ only slightly from the prototype, stated Rear Admiral Juha Tikka, commander of the Finnish Navy.

Small changes have, however, been made, the lines of bow's hull have been modified slightly, interior spaces were changed a little, the dimensions of the light metal hull were revised, the control cabin windows have been tilted forward, and unlike the prototype, Swedish KaMeWa adjustable wing propellers will be installed in the series boats.

### The Lessons of Falkland

The prototype was completed before the Falkland conflict, in which the English destroyer Sheffield burst into flames after being hit by a missile. The reason for the rapid progress of the fire was observed to be fire-sensitive cables, and Finnish shipbuilders took heed.

In the series produced missile boats the cables are now made from a new type of non-combustible material, stated Navy spokesmen.

Such material was not yet available for the prototype. Also the insulation and protective shields around the cables as well as the whole fire prevention system are more developed in the series boats than in the prototype.



The control cabin windows on the first series produced missile boat, Turku, are tilted forward, in the prototype Helsinki they are tilted backward. One can see better in the dark from the Turku than from the Helsinki.

After the Sheffield sank, there began a discussion in naval circles about aluminum as a shipbuilding material, it was thought to be too sensitive to fire. It has subsequently been confirmed that the Sheffield was a steel hulled ship, and aluminum has still been observed to be non-combustible, indeed, more easily fusible than steel.

The Helsinki-class boats are being constructed of aluminum. Director Martin Saarikangas of Wartsila's Helsinki Shipyard had reason to state the following: "It would not have been possible to build boats as fast and as efficient from steel."

#### Only Nine Enlisted Men

The new missile boats are the latest in the state of the art and are replete with complex electronics. For this reason, exceptionally trained personnel is needed to operate them. Of the boat's staff, a total of 28, 19 make up the regular crew and only nine come from the enlisted men's ranks [conscripts] or a little less than one-third.

In the combat boats of the 1960s, recruits, the regular crew made up conscripts and conscripts made up four-fifths. In the gunboats built at the end of the 1960s the regular crew comprised nearly half of the total staffing.

The missile boats are powered by a turbo, or three supercharged W10-diesels, which can achieve a speed of more than 30 knots. The total output is approximately 8,000 kilowatts or more than 11,000 horsepower.

The boats do not require too much water underneath, naval sources state they can use a 2.7 meter channel similar to a sailboat, "and there is still a little water left underneath".

The weaponry has remained exactly the same as in the prototype, or its primary weapons are eight Swedish-made RBS 15 SV-anti-naval missiles, a Swedish 57-millimeter Bofors cannon on the foredeck, and two Soviet 23-millimeter double anti-aircraft cannon on the upper cannon deck.

In addition, the boat contains submarine searching equipment, depth bombs, and scatter transmitters to divert missiles.

### "Cheaper Than Beef"

It has become customary to compare the cost of war ships with the price of beef, a kilo of war ship costs as much as a kilo of beef. "These boats are cheaper," stated Rear Admiral Tikka, "but they still cost a lot." The budget allocated for the procurement of a missile fleet is 580 million markkaa, and we will remain within the budget according to Tikka.

The boat's weaponry, or the weapons and a combat guidance system, takes up a considerable portion of the cost. They are of the latest technology, the naval leadership describes the Swedish missile, for example, as a "third generation missile". The well-known Exocet missile is the second generation of this missile. "We did not, however, purchase the missile's prototype just for the operational use of the missile," said Tikka.

It is said that the range of the RBS-missile is more than 60 kilometers, the numbers can be even greater according to certain sources. The missile system is now ready in the "Helsinki" as well as in the "Turku" even though the actual missile cassettes are not yet visible on the aft deck.

### Wartsila Advertising

Director Martin Saarikangas of Wartsila's Helsinki Shipyard says that the company is not conducting an active export of war materiel, but "we are ready to discuss this with countries to which there is an opportunity to export missile boats."

Saarikangas wants to see the importance of missile boats to Wartsila primarily as "advertisement worthy of putting on our billboard". Their manufacture shows the world what Wartsila is capable of, says Saarikangas.

10576

CSO: 3617/121

1980-07-01-001  
10 July 1980

## LACK OF EXPERIENCE HAMPER'S MILITARY PILOTS

Rotterdam NRC HANDELSBLAD In Dutch 5 June 80 p. 1

[Article "by one of our editors": "Doubts on Air Force Fighting Power. Inexperienced Pilots the Cause"]

[Text] The Hague, 5 June--

The fighting power of the Air Force is being affected as the average experience of military pilots decreases still further. Just as in the 1970's, that can lead to relatively high losses from accidents.

State Secretary Hoekzema (Defense Personnel) explained yesterday to the Second Chamber of Parliament that this was anticipated. The Chamber's Defense Committee considered the large number of pilots transferring over to the civil airlines around the age of 30. There they can earn up to 250,000 guilders at the end of their career and also continue to fly longer than is possible in the armed forces. The Royal Air Force cannot offer a salary higher than a maximum of around 100,000 guilders.

According to the chairman of the Dutch Officers Association (NOV), Royal Air Force Major General J.B. Spiegelenberg (retired), there is no connection between the Air Force's decreasing experience and the accidents. He stated this this morning in response to Hoekzema's observations.

Spiegelenberg does see a connection between the arrival of a new, much more modern piece of equipment, the F-16, and the relatively high number of accidents. In the last 5 1/2 years, 12 F-16's have been lost. On Monday another two pilots lost their lives in a collision over West Germany.

Spiegelenberg points out that shortly after the war the Air Force also had had a great many problems with the first jet-propelled planes. Members of the Second Chamber representing the CDA [Christian Democratic Appeal], VVD [People's Party for Freedom and Democracy], and PvdA [Labor Party] did make the connection in yesterday's consultation with State Secretary Hoekzema and in contrast to Spiegelenberg, between the pilots' departure from the Air Force and the accidents.

At present the Air Force has no flight suitcases and the Air Force says the State Department, including the State Department, the Navy, the Naval Aviation Service has a shortage of 100 flight suitcases. The military pilots will, according to the State Department, be able to increase in the next few years because of a great increase in the number of older. Air Force only pilots over the age of 30. The Air Force has pilots who have a contract with the Air Force. They are not going to leave that age.

According to Hickenlooper, however, it would be very difficult to absorb military pilots. According to the Air Force, the Air Force Member, there are at this moment 100 flight suitcases which are due to run out soon and the Air Force is going to have to get 100 more so as not to lose their pilots with a great shortage. The Air Force wants the number of pilots under the military contract. There are about 100 of them.

12593

CSO: 3614/94

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

KEEN BAVARIAN-SWABIAN COMPETITION FOR HIGH TECH INDUSTRY

Duesseldorf WIRTSCHAFTSWOCHE in German 24 May 85 pp 36-50

[Report: "Arm Wrestling in the South"]

[Text] For some years now, Bavaria's total state product has been growing more rapidly than that of Baden-Wuerttemberg. The competition between the southern states is becoming tougher as they focus on the futuristic industries. Thus, in both Munich and Stuttgart the market-economy concept is being rather loosely interpreted.

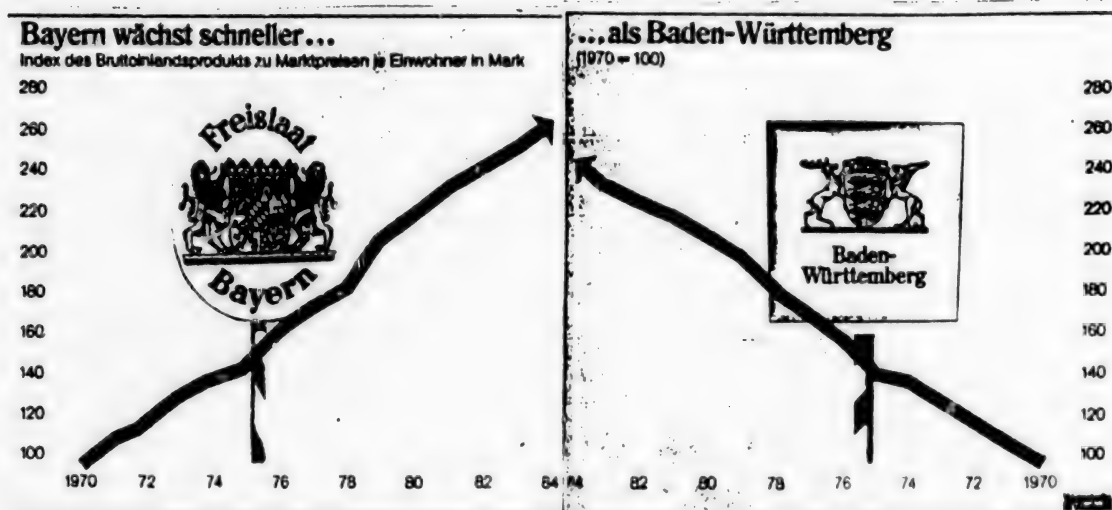
"There are no problems between us." This is announced by a fine figure of German postwar policy no less than by the newcomer whose surge towards the top is unmistakable: Franz Josef Strauss and Lothar Spaeth, the heads of government of the two southern Laender of Bavaria and Baden-Wuerttemberg. In this connection Spaeth is happy to show reverence to his neighbor by saying that Strauss must be granted a ministerial office in Bonn "if he wants it." And in an equally friendly spirit, Strauss--who otherwise does not have a good word to say about hardly any of his Union colleagues--bypasses the Swabian in making his Bavarian attacks.

A deep friendship between the two men? Not very likely. Rather, mutual respect between two autocratic rulers with the unconcealed ambition to intend to rise in politics beyond just the provincial level.

However, the Swabian--who is being noticed nation-wide by now as a clever person--is forced to attack none other than his neighbor in Spaeth's very own field, the economy. Because Bavaria, politically a past master but economically somewhat of a newcomer, has outdistanced, in terms of its growth rates (see graph), the new hyphenated Land of Baden-Wuerttemberg with its historically evolved copious industrial activity: It is true that the data pertaining to the economic strength of the southwestern state are higher almost everywhere than the Bavarian values (see table), but the gap is steadily decreasing.

The share held by Baden-Wuerttemberg in the Federal national product, which was at 16 percent in 1970, had dropped to 15.8 percent by 1984, whereas

that of Bavaria grew from 16.3 to 17.4 percent. Strauss very proudly: "We are in the midst of a glorious come-from-behind race."



Graph: Bavaria Is Growing More Rapidly...Than Baden-Wuerttemberg--Index of the Gross Domestic Product per Resident in Marks at Market Prices (1970 = 100)

The two neighbors are eyeing each other warily--but matters do not always stop here. Sepp Hort, vice-chairman of the Munich aviation and astronautics concern of Messerschmitt-Boelkow-Blohm (MBB), observes: "After all, the real competition in the Federal Republic at present is that which is running on the southern tracks." And the Munich Ifo Institute for Economic Research comments: "The game has just begun"--that is, "in connection with the technological contest." In the arm wrestling for futuristic industries, neither the Bavarians nor the Baden-Wuerttembergers are giving in.

To be sure, Strauss and his industrialist friend Eberhard von Kuenheim, chairman of the board of the Bavarian showcase firm of BMW, were not able to keep the reorganization-minded MAN Augsburg-Nuernberg Machine Factory Inc. from selling its 50-percent share in the MTU Motor and Turbine Union to Baden-Wuerttemberg's shining industrial star of Daimler-Benz. Because the Stuttgart people already owned both the other half and the pre-emption right--much to the sorrow of Kuenheim, who publicly confessed that otherwise he would gladly have gotten involved with MTU, which in any case is associated historically with BMW.

But when the Karlsruhe machine-building and robot factory of IWKA as well set about acquiring an interest in the Munich tank smithy of Krauss-Maffei, then the Bavarians switched over to a fierce resistance. Finance Minister Max Streibl: "From the Bavarian point of view, it was and is essential to find a solution in which the jobs of Krauss-Maffei are protected and are kept in Bavaria."

There is more in this than meets the eye: Strauss would like to link the Flick business to MBB and the Nuernberg Diehl Group, and in this way forge a technology and arms concern after the model of the U.S. concern United Technologies Corporation (UTC).

Not only businesses and banks with the proper State citizenship but also the Free State of Bavaria itself are to have an interest in this Bavarian high-tech company. Just under 25 percent of the capital of MBB already belongs to Bavaria. Strauss sits on the MBB board of directors and moreover is chairman of the board of directors of Airbus Industry, in which MBB again has an interest of 37.9 percent. So it is no wonder that hobby-pilot Strauss does not miss any opportunity to go to bat for aviation and space technology and, for example, is calling for a European "complement" to the American SDI initiative: Bavaria has to be there in space.

Lothar Spaeth as well wants to lift off. Unquestionably he has taken a fancy to the high-flying ideas of his rival. When the inheritance battle in connection with the Friedrichshafen aviation and astronautics company of Dornier got out of hand, Spaeth summoned the six quarreling family members to his residence. "The mediation function of the minister-president has developed quite naturally," is how Spaeth's economics minister Martin Herzog describes the roll of the "chief engineer" (WELT AM SONNTAG) in the land of poets and think tanks. The plan by the middleman which has now emerged after a long struggle: The majority holding in Dornier goes to Daimler-Benz, a few percent goes to the Land.

Dornier fits snugly into the plan of the successors of Gottlieb Daimler and Carl Benz. They want to diversify to the utmost of their ability into fields of activity with a high technology component--on land, in the water, and in the air. Thus, then, it could be at Lake Constance, perhaps even in a yet closer cooperation with the Friedrichshafen gear factory, where the competition to Bavarian High Tech could arise--a sort of Cape Zeppelin.

Surely it was not by chance that in the midst of the dispute about the future of Dornier, Bavaria's culture minister Hans Maier, of all people, took the floor in the pro-government MUENCHNER MERKUR to make veiled claims to at least one division of Dornier. Maier extolled the apparatus developed in Friedrichshafen for the nonsurgical removal of kidney stones as an "instructive item" for which "the public must thank the research and development work of a Bavarian university clinic."

However, the Bavarians--like it or not--had to grin and bear it with regard to the Dornier affair, because Spaeth declared unequivocally that there must be a "Baden-Wuerttemberg solution." Then following a southern-German

summit meeting, both minister-presidents denied officially that Dornier had been an issue between them in the first place: "There was nothing to negotiate."

All the more intensive negotiations--separate ones, of course--take place when the locating of new companies is at issue. It is recognized in a report by Alexander Schmieling, chief executive secretary of the Ulm Chamber of Industry and Commerce (IHK), that the Bavarians are "somewhat more accommodating" toward firms than development-promotion officials in the puritanical smaller model-Land [Baden-Wuerttemberg]. He ought to know: Previously, Schmieling worked for the Wuerzburg IHK for some time. With a sly smile, Bavaria's economics minister Anton Jaumann concedes that "occasionally one is tempted, I dare say, to gain a bit of an edge." On the one hand Horst Schmalz, deputy executive secretary of the Heilbronn IHK--which has jurisdiction over the Wuerttemberg border region of Franconia--is not able to shed any light on this "gray zone" of the promotional labyrinth. But his commercial-chamber colleague Schmieling, with a feeling for the authoritarian traditions of their neighbor: "With God and in Bavaria, nothing is impossible."

However, Jaumann and his counterpart in office Herzog assert ingenuously and in unison that it is a question at most of "healthy competition," but not of border fighting. Herzog: "I do not care much for this military vocabulary." And Jaumann: "Competition is inborn in people. Wherever two people are together, the question immediately arises of which one is the best."

This is the case for example in the struggle to get promising electronics firms to locate in their Laender. No sooner had the rumor come out of the headquarters of the U.S. computer manufacturer Wang that production was being planned in the FRG than there began a brisk activity in trips to Boston to visit the Wang head office there. Spaeth showed up first to demonstrate the advantages of Baden-Wuerttemberg. Shortly thereafter Jaumann paid a visit and presented the industrial site of Bavaria in the rosiest of colors.

Although Wang has decided by now to build in Ireland, still it is already apparent that Bavaria is clearly out in front in the race for the electronics business. Thus, for example, Jaumann has brought the computer manufacturer Digital Equipment Company (DEC) to Munich and Kaufbeuren, where DEC is producing storage disks, and has secured the semi-conductor manufacturer Fairchild for Wasserburg and Texas Instruments for Freising. The Japanese have gone to Landsberg and Landshut (Hitachi) and to Noerdlingen (Sanyo), and the computer builder Tandem has gone to Neufahrn near Munich.

**Table: The Southern States Compared--Structural Data, Economic Parameters, and Research Indices of the Two Federal Länder**

<u>Bavaria</u>		<u>Baden-Wuerttemberg</u>
10,965,800	Population (as of 30 June 1984)	9,242,800
70,546	Area (square kilometers)	35,751
27,671	Gross domestic product per resident at market prices, in marks (1984)	29,522
64,270	Gross domestic product per person employed at market prices, in marks (1984)	66,680
6,658	Gross fixed-capital formation per resident in marks (1983)	6,386
6,506	Export volume per resident in marks (1984)	8,809
1,980	Per-capita indebtedness of the Land in marks (status at 31 December 1984)	2,803
7.7	Unemployment rate (April 1985)	5.4
67	New registrations minus cancellations of registrations by firms per 100,000 residents (1984)	63
15.92	Gross hourly wages of male industrial workers in marks (October 1984)	16.92
97.2	Purchasing-power index (1985, Federal area = 100)	105.1
135	Index of industrial research intensity (1979, Federal area = 100)	110
118	Index of industrial patent intensity (1983, Federal area = 100)	114
32	Research institutions (1983)	35

At present about 140 electronics firms are concentrated in the greater area of the Bavarian capital-- from hardware producers to software suppliers to applications specialists. No end to this migration is in sight. "The accumulating of these enterprises is attracting many productive young people, and we need these," says a manager of the Paderborn computer builder Nixdorf, which is locating its telecommunications division on the Isar River.

That is not the end of the matter. Southern Bavaria has also developed into a center for robot research and production, including CAD/CAM systems--that is, computer-assisted designing and manufacturing. And finally, companies with headquarters in other places as well are locating research facilities in and around Munich. Examples are laser development and medical equipment.

But the pull of Bavaria's capital meanwhile threatens to intensify the south-north gap in this Land itself: In the labor office region of northern Bavaria the unemployment rate is at 8.7 percent, whereas in southern Bavaria it is at 7 percent.

Now it is true that the "gravitational center" of Munich (Ifo Institute), with an employment figure of about 1 million people, owes its leading position in microelectronics by no means solely to an active promotional policy, but at least just as much to a historical accident. Even before the end of the war, production activities had been shifted into the south, and indeed producers endeavored to reach the future U.S. zone, which--the Ifo Institute notes--was rightly considered to be more friendly to business. The most important migration for Munich: The giant Siemens--ultimately the nucleus for the entire white-coat industry of Bavaria.

To be sure, the electrical-engineering industry and electronics also have a long tradition in Baden-Wuerttemberg, with big names such as IBM, Bosch, and SEL. But by no means all the industries which have helped this Land to achieve a high standard of living with the "raw material of brainpower" can be regarded as crisis-proof. Thus, for example, Prognos AG in Basel has observed that even the highly valuable mechanical-engineering industry is not entirely safe. Prognos researcher Reinhart W. Wettmann: "Despite our quite advanced integration of mechanics and electronics, Japan is thrusting forward into a new generation of machine-building so rapidly that in Baden-Wuerttemberg there are serious doubts about our competitiveness over the relatively long term, and a substantial loss in jobs is feared."

Even many Swabians concede that upon closer observation the frequently told story of their healthy mixture of large and small enterprises and garage-shop successes turns out to be a legend: Large-scale enterprises dominate in Baden-Wuerttemberg as well, but above all in its core region of the Middle Neckar River, which produces almost a third of the Land's output and which boasts 1.1 million employed persons. And the Bavarians are ahead of the Baden-Wuerttemberg people in patent intensity as well as in successful founders of innovative companies.

Thus, worry about Japanese and Bavarian competition constantly preoccupies Lothar Spaeth. Every saved mark is to be put into research: For 1985 those in Stuttgart are including in their budget R&D funds amounting to DM 530 million, exceeding for the first time Bavaria's budgeted DM 500 million. The credo of the experienced construction-company manager and management expert Spaeth, who is forever arranging for meetings of new groups of scientists and the holding of symposia: "The importance formerly held by the infrastructure of harbors, rivers, the rails, and the highways is today held by the research and technology infrastructure."

He is announcing a technology-transfer move with a dense network of consultancy services, announcing technology parks, an expansion of the new media, and the building of new research institutes in fields from genetic engineering to optoelectronics to polymer research. Johann Loehn, who as Spaeth's official government representative for technology transfer is a sort of co-minister for technology, can point to impressive figures: The Steinbeis Foundation for Economic Development alone, whose chairman is Loehn, doubled its projects to about 7,000 in 1984. These include above all technological consultancy services to small and medium-sized companies, the encouragement of cooperative ventures, and the appraisal of technology-assistance requests. In 1984 the Land spent about DM 280 million to promote technology, of which about half was in the form of direct subsidies.

Of course, such a rich technology windfall is not uncontroversial even in the Land itself. In this connection, shortly before Easter some noteworthy mail turned up on the desks of the executive-committee members of the Land CDU. It was signed by retired state secretary Gerhard Mahler as the sender. According to Mahler, what the minister-president stated--to the cheers of leading representatives from industry, politics, and finance--at the management symposium in Davos in February of this year turned out to be "a plea for measures of State control by way of sweet-sounding words, but with a dangerous import." Mahler has dark forebodings: "Is Spaeth striving even for a directing of investment by the government?" In Mahler's opinion, the policy of this government head is beset with "great risks." As an example, the CDU politician mentions solar cells, which just 4 years ago were being extolled to the skies but today are without importance.

Mahler is probably not far off the mark with his warnings about placing too much confidence in the predictive power of the State: For example, Spaeth once procured the microelectronics expert Ernst Lueder as a highly praised genius--with the offer of building an institute in Stuttgart for DM 90 million from the treasury. The institute stands--however, Lueder no longer heads it. A high official of the economics ministry assesses: "That was surely a flop."

Spaeth "readily admits that anything that we do can involve undesirable developments." But with a glance at the puritans of the free-market economy, he is still firm: "I am a strong opponent of the opinion that we ought to carry over the true teachings into practice." Perhaps, according to his recommendation, "even the textbooks must be revised." His economics minister Herzog nevertheless admits that the "modern market economy" of the Spaeth type is walking on a tightrope: "It does not take much for a person to slip down off this tightrope path."

To be sure, Spaeth is only reconstructing in the smaller Land what has been the order of the day in Bavaria for years, with this not being disputed either in the economic sector or in the party governing the State, and with at most the opposition being allowed to become the guardian of virtue.

Thus SPD economics spokesman Rudolf Seebauer talks about a "curious state capitalism which by now has become the trademark of CSU economic policy."

Here the spending is generous, not just in dribs and drabs: For the reconstruction of the BMW automobile plant in Regensburg, the city and Free State officially forked out DM 156 million. Jaumann's justification: "I need to have a few major companies locate here for the sake of our regional structural policy. Then the small firms will follow close behind."

The Free State also has few scruples about acquiring an interest in businesses when they are threatened with bankruptcy. Thus the Land Institute for Rehabilitation Financing (LfA) helped out with an 11.8-percent investment in order to shore up the shaken PWA paper factory, whose headquarters are in Raubling. The LfA also took possession of somewhat more than 30 percent of the Erlangen textile mill of Erba AG, which had been caught up in the whirlpool of the Gloeggler failure, as had been the Augsburg worsted-spinning mill with its rich traditions. The Land bought into the latter, again with a holding of just under a half, in order to save it from ruin. In other ways as well the Land is being very generous. In order to permit Bavaria Film to gain a foothold in the new media, the Free State became a participant to the tune of 20 percent. And in the case of Krauss-Maffei the amount of participation is supposed to be just over 25 percent.

Jaumann does not see any sin in this: "The theses of the free-market economy are correct. But there are special cases where the State simply must decide pragmatically. Such decisions do not fit into an ideological garb."

The dogma involved is simple: Whatever is of benefit to Bavaria is well done. Since Jaumann feared "that venture companies operating nationwide are possibly financing highly-attractive projects in Bavaria, but that the fruits of this work are being harvested in other Federal Laender, if not indeed in foreign countries," the Bavarian Venture Finance Company was quickly formed.

However a polished concept generating much publicity such as that of Baden-Wuerttemberg does not fit into the Bavarian-baroque picture: "We must not shout everything from the treetops," says Jaumann. He is not able to believe much either in technology parks or in a commissioner of technology transfer. "These things are overrated for the most part." But, no doubt about it: "Of course, we will do this later if it turns out that it is wise--and not because those in Wuerttemberg have shown us the way."

This self-confidence is not unsound. Jaumann does not want to hear any more about a gap in industriousness: "Our workers in this Land are just as hardworking as those in Baden-Wuerttemberg"--for whom, as is generally known of course, "to produce" constitutes their most important verb.

Meanwhile, with a furrowed brow Peter Kistner, chief executive secretary of the Middle Neckar Chamber of Industry and Commerce and formerly chief of division in the Baden-Wuerttemberg economics ministry, notes a different

gap. In Bavaria the wages are lower, but the electricity costs are lower too--in fact by about 11 percent. Kistner sees the reason for this as lying in the greater participation in nuclear energy by the Free State, and he finds fault with Spaeth for having postponed the building of the controversial reactor in Wyhl--presumably until the Greek calends.

This chiding is all the more remarkable since the head of the Baden-Wuerttemberg government is fond of commenting that his FRG neighbor has the nuclear power plants--but we are having the debate on them. Kistner angrily: "Our head of government is avoiding the making of overdue decisions."

To be sure, it is difficult to railroad through such unpopular decisions in a Land which has revolutionaries from Goetz von Berlichingen to the 1848 rebels hanging in the Gallery of Ancestral Portraits. Franz Josef Strauss has an easier time of it with his own body politic, which permits spent core elements to be reprocessed in Wackersdorf without any effective opposition--a major project for this structurally weak region.

The State government also wants to push through a mammoth project in the Erding Moor: The largest German airport, to be built for DM 3.5 billion. Even the Bavarian Higher Administrative Court could only marvel at this: "Within the time period for which the growth of traffic volume can be predicted to some extent, such capacities are probably not needed." Meanwhile the Swabians are having great difficulties with a relatively modest expansion of their Stuttgart airport--a runway in the midst of a cabbage patch, which is little suggestive of the aura of the big wide world.

The Baden-Wuerttemberg economic spokesmen also complain that the Bavarians are seeing to a more rapid progress in the building of freeways. Bavarian zeal applies even to matters of secondary importance: In connection with the new A 7 from Wuerzburg into the Allgaeu region, the sign painters were required to add the name of the tiny Bavarian village of Elchingen at the Ulm freeway intersection.

Meanwhile the sign-painting industry has received even more work: In order to show more clearly the newly awakened patriotic feeling of the southwest State, Baden-Wuerttemberg ordered the erecting of heraldic signboards with their three Hohenstaufen lions at its borders with the other Federal Laender. Right away the Bavarians, whose Free-State lion previously looked only towards Austria and the CSSR, decide to show the paw also to the Swabians.

These tomfooleries definitely have a point. Because business promotion involves more than a modicum of psychology. In terms of civic consciousness, Baden-Wuerttemberg still has a long way to go to catch up--after all, the smaller Land is only 33 years old. The rivalries between the two parts of this Land are by no means all over yet. That there are "things Baden and things unsympathetic to Baden"--according to the popular saying--is becoming apparent again just now in connection with the tough negotiations on the formation of a large regional bank for the Land. This

is another of Spaeth's pet projects, with which he would like to crown the edifice of technology policy, assistance to founders of innovative firms, and the promotion of exporting companies and small businesses. However, the Baden savings banks would prefer not to be lumped together in a Landesbank with the Wuerttemberg savings banks. And Roland Klett, former Stuttgart IHK chairman, also reminds the minister-president that his slogan that as a rule "small is beautiful" means: "Size in itself is no criterion, least of all in the case of banks."

However, Spaeth and Herzog brush aside such objections by referring to the clear need to catch up vis-a-vis the Bavarian competition. Because Bavaria not only has a thriving Landesbank, but at the same time two strong regional giants of the banking system as well: The Vereinsbank and the Mortgage Bank. And if one compares the stock exchanges he sees that in relation to the one in Munich, the Stuttgart exchange leads a wallflower life. As a rule, financial institutions in Mannheim give their orders to Frankfurt, whereas bankers from Aschaffenburg prefer far-away Munich.

Commercial activities, banks, insurance companies, and other services generate on the whole a far larger fraction of the total product in Bavaria than in the smaller Land, which is primarily famous for its industrial products (see diagram). Herzog: "We have a lot of catching up to do."

Such a disparity is causing trouble above all for the capital of the Baden-Wuerttemberg Land. Thus, for example, recently an advertising agency previously residing in Boeblingen reported in with happy tidings from Munich: "We have succeeded in fulfilling our long-cherished desire to make the leap to the Isar. You will find us now on Leopoldstrasse."

The move is symptomatic. "Radiant Munich" (Thomas Mann) threatens to cast Stuttgart (a satirical advertising formula locates it "between the devil and the deep blue sea") into the shadow: Germany's much-vaunted secret capital is incomparably more attractive as a recreational spot--thanks to its beer gardens and National Theater, its beautiful people and its ski slopes in its own back yard--than the Land capital of Baden-Wuerttemberg, notorious for its thriftiness and its cleaning-mad custom of sweeping week, its former curfew and its well-bred manners.

But commerce--this is the growing realization of the shapers of structural policy--follows art to a large extent: The quality-of-life site factor ranks right at the top, above all among advertisers and media workers, software sellers and investment consultants--namely, that well-heeled class which provides for the vigor of the economy by means of money and brains.

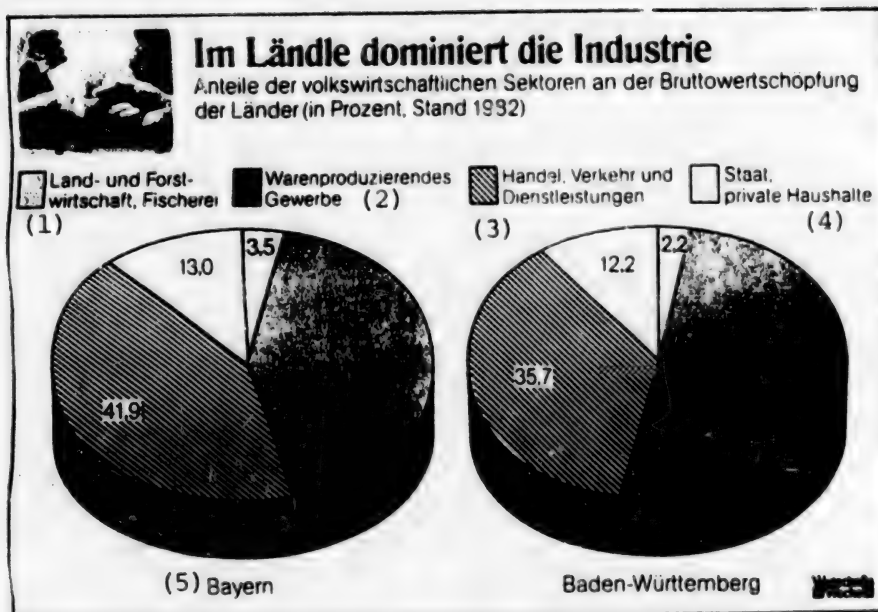


Diagram: Industry Dominates in the Smaller Land--Shares Held by the Various Economic Sectors in the Gross Value Added of the Länder (in percent, situation as of 1982)

- Key:
1. Agriculture, forestry, and fishing
  2. Goods-producing activities
  3. Trade, transport and communications, and services
  4. State, private households
  5. Bavaria

Spaeth would not be Spaeth if he did not also jump aboard this train. The "fast breeder" (a popular nickname) wants to establish in Stuttgart a theater academy and at Schloss Solitude in the outskirts of the city a Baden-Wuerttemberg type of "Villa Massimo." And down in the capital, actually ruled by Chief Mayor Manfred Rommel, the minister-president wants to establish a sort of rival to Munich's Ludwigstrasse: A cultural strip, the cornerstones of which are to be the renovated State Theater, the newly built, post-modern State Gallery, and the existing Land Library. "The future of a human society," Spaeth recognizes, "lies above all in a policy focused directly on a cultural activation of the person." Klett says this more pointedly: "For many founders of innovative companies, ambience is more important than their firm's train siding."

Culture helps to make sales. At Baden-Wuerttemberg's industrial show in Moscow, Spaeth had everything whatever appear on stage that he has to offer: Corps des Balletts and choirs, the violinist Anne-Sophie Mutter and the fencers from Tauberbischofsheim. The top traveling salesman of his

Land, who is incessantly ferreting out new markets between Singapore and San Francisco, does not mind that occasionally he is good-naturedly kidded: "So you are back in the country again?" Then the answer comes shooting back: "After all, someone has to sell your stuff."

The Swabian must work hard. Because for Franz Josef Strauss the come-from-behind race continues. His economics minister Jaumann says that although in the next 5 years more will still be made and spent per capita in Baden-Wuerttemberg than in the Free State, nevertheless--according to his prediction: "In 10 years, the picture may already look quite different." But, he said, the Bavarian does not necessarily mean that he alone needs to work. Jaumann: "I like this attitude very much."

To be sure, this is not likely prevent the industrious Lothar Spaeth from working further on his career. The 47-year-old lord of Stuttgart's Villa Reitzenstein, the official residence of the head of government, has reason to figure that he has increasing chances for the highest offices in the FRG--not least after the most recent CDU defeat in the Rhine and Ruhr. Because the top political manager of this southwest State is distinguishing himself with what has become rare in the chancellor's party: The talent for the visionary, paired with economic expertise. It is known that this is respected also by his south-axis partner Strauss. "We are interested in jointly keeping the south robust" is the word from the going-on-70 ruler at the State chancellery on Munich's Prinzregentenstrasse. Only the south?

12114

CSO: 3620/401

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

## PLIGHT OF SMALL FAMILY FARMS LAID TO EC POLICIES

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 8 Jun 85 p 11

[Article by Helmut Stoltenberg: "The Small Farmer Is Being Ruined; A Small Town in Germany: How Brussels's Agricultural Policy Is Making the Farmer Poor"]

[Text] What does the future hold for agriculture? Because of the agricultural policies of the EC many farmers are not certain; small operations in particular have had troubled times since May of last year at least.

Karl is not just a masculine first name, but also a small town in the Eifel Plateau region, 15 kilometers from Wittlich and first mentioned about the year 1300: 250 inhabitants, 5 streets, a church, a general store and a telephone booth. In a quarter hour the traveler can be in the charming Lieser Valley, where summer after summer, groups of young people pitch camp. Three times a day, a bus comes to Karl, and then it becomes a little tight for oncoming traffic on the narrow--and lone--access road.

For one or two generations all the people here have lived from agriculture, especially from dairy farming. Today there are still six farmers who operate their farms full time and whoever asks them how things are going for farming after all the back and forth movement in the agricultural policies of the European Community, after setting of milk quotas and Brussels's grain price battles is met with either resigned shrugging of shoulders or clear rage: "There is no point in any of it anymore! Nobody cares anymore about the six percent of the population who are farmers," grumbles a townsman vociferously and calculates that 100 kilograms of rye "cost DM 18 under Adenauer, and now cost DM 22."

Berthold Groener (not his real name) operates one of the smaller farms in the area. With 24 acres of land and 15 head of cattle, he was already not able to live it up, but since the introduction of the EC milk quota regulation in May of last year, the bachelor and his mother have had to get by on an average of DM 1100 a month: "It is not possible to manage anymore," complains the 37-year-old farmer. It is no wonder, after all, the average monthly expenditures for a "two-person household with pension and welfare recipients with limited income" were noted by the national bureau of statistics at DM 1400 last year.

When Groener was still allowed to sell all the milk from his cows, he had more than about DM 1500; "we just managed with that." Now only 22,600 kilos of milk are accepted from him at the guaranteed price of approximately 16 pfennigs per kilo; for each additional kilo he receives only some 15 pfennigs. In just the first 3 months of this year he had 1500 kilos too much and thus a loss of DM 900.

#### "Ten Years Ago We Still Could Have Changed Careers"

In Karl, all the farmers are affected by the milk quota regulation, some more, some less. For decades the EC has guaranteed farmers firm prices for almost all agricultural products in order to encourage investment and to assure the food supply. As a result, various rules of free market economics were nullified, and farmers could raise their profits constantly without having to worry about the interaction between supply, demand and price. One of the farmers from Karl characterized the situation thus: "All farming here is nothing but a white-washed collective."

Such agricultural dirigism is not being allowed to finance itself further in the face of mountains of butter and lakes of wine. In 1983 subsidies from Brussels devoured DM 37.7 billion; the community was on the brink of financial collapse. This collapse still threatens especially the small farms, since, because of the milk quota regulation, only a limited and precisely fixed amount of milk is accepted from each farmer at the guaranteed price.

Like most farmers Berthold Groener hardly ever gives his cows special milk fodder anymore, but almost exclusively his own grain in order to reduce milk production. Nevertheless, he must economize wherever possible. The purchase of equipment planned two years ago has long been forgotten; instead, the 19-year-old tractor and the other machinery are repaired as long as they will run. And with increasing age the worries pile up: "If we could have known 10 years ago," says Groener, "we could have chosen another occupation."

There are many farmers who like him would be willing to earn their living in another way because of the dismal situation; however, with 2.3 million unemployed such attempts have hardly any chance for success. For a job in a trade, the relevant certification is necessary; large factories are rare in rural areas; and construction, where many former farmers found jobs in the past, has remained unaffected by the economic upturn for a long time. So Berthold Groener has to continue to try to survive with his farm. In an emergency, he thinks he could sell his VW Polo. "You just have to look around to figure out how to get along."

The introduction of the quotas has so far only slightly affected Guenther Kremps (not his real name) since along with his milk production he raises pigs and engages in intensive cultivation of potatoes and grain. And what if grain prices were also lowered? Kremps shrugs his shoulders: "Then I'd have to win the lottery." Nevertheless, he is afraid that the price of grain cannot hold for much longer since "the imbalance between supply and demand is constantly growing," and besides, the only reason that the federal government has not given in to the EC partners this time is the CDU setback in North Rhine-

Westphalia. Luckily, he did not concentrate exclusively on dairying as he once planned in 1981, otherwise "things would look a lot worse for us now," he sums it up.

How things could have looked for him is seen a few houses farther on at the home of Hans Oeser (not his real name), who took over his parents' farm. The introduction of quotas is hitting him particularly hard, since he lost 30 head of cattle, including several pregnant cows, to illness (lactose) in 1983. Meanwhile, he bought ten additional cows, but when his quota, based on the production figures from 1983, was set, the loss was only partially considered.

The Oeser family believes: "If someone owns from 60 to 70 head of cattle, then he can get by all right," but although their own farm falls within this range, their account seems to be permanently overdrawn. Oeser's mother does the calculation: "When all the cows have calved, we will take in about DM 6500 a month. A lot of that is already eaten up by the lease; most of what we have is rented. Then, when fertilizer has to be bought at DM 5000, we are already into the red." The young 26-year-old farmer is allowed to deliver 112,000 kilos of milk; he could produce from 130,000 to 140,000.

#### "We Can't Afford Plaster for the New Addition"

The thing that irritates him the most is that milk prices were not lowered 6 or 7 years ago "before the expensive stalls for 60 to 70 cows were built." This is an argument which is repeated often by farmers since they were encouraged to expand their operations for years by false price signals. Of course, a "hardship case regulation" is supposed to take care of compensation in such cases, but that is small comfort for those who do not enjoy such a position. "The small farmer is being ruined," says Hans Oeser.

Anyone who visits him and his parents--one brother is an engine fitter, the other an unemployed chimney-sweep; neither was interested in taking over the farm--quickly notices that money is short: 3 years ago the Oesers added on, "then came the lactose, and then the quota regulation, and we couldn't finish the addition." In the hall, there is bare plaster, there is no money for paint or even wallpaper. It is impossible to even consider plastering the outside. For 2 years, none of the three has been able to afford new clothes. "We just don't buy anything anymore," answered Mrs Oeser when asked how they were trying to compensate for the financial losses.

Hans Oeser will have to forego looking for a bride in the next few years. Otherwise there would be one more mouth to feed, and several if there were children, while the income established by the quota regulation already just feeds the mother, father and son. It would thus be absolutely essential that the farmer's wife work outside the farm, and that really is not possible in an occupation where one must work from early morning into the night.

The results of the disaster in agriculture are not felt by the farmers alone. Especially the farm machinery manufacturers and dealers are financially out in the cold. The Raiffeisen-Waren-Zentrale [central institution of farmers' cooperative] reports that dealers are having to endure a 25 percent drop in turnover; and Karl Hoffmann, national guild leader for the farm machinery

mechanics union of Rhineland-Pfalz, gives this list: dealers registered up to 30 percent reduction in turnover in sales of farm machinery, and repair shop personnel has had to be reduced by up to one fourth since farmers are just carrying out the replacement parts. According to the guild leader: "This is almost fatal to some of them."

#### "Hardly a Farmer Comes Here to the Inn Anymore"

In Karl, where in the Aunt Emma General Store the only items bought in the evening are those that were forgotten in the supermarket in Wittlich in the middle of the day, the proprietors of the town pub are especially feeling the fact that the farmers are having to scrimp: "In the winter 2 years ago there was a lot wrong here, but last year we could have shut down for days," reported the hostess Hedwig Milz. "We make our living from the farmers and they are staying away more and more. In the past everyone had DM 20 to spend in the evening, and now if one even comes, his check amounts to DM 6 or DM 7." This is an overall drop of 50 percent, furthermore the big birthday parties and other such parties no longer take place in the inn. This evening a visitor can only count four guests. "If this goes on, we will have to close."

To the tourist, everything in Karl still seems to be all right, but three quotes reveal the opposite: "Two hundred fifty people live here, but not counting the elderly it is only 150, and many of the young are moving away," says Mayor Karl Simonis, in office for almost 20 years. In the inn a customer angered by the agricultural policies of Bonn goes so far as to say: "I'd rather pay the RAF [Red Army Faction] DM 100 than the parties!" and Hans Oeser does not understand the thing which cannot be understood: "Here, there is too much food which we are not allowed to sell, and in the Third World people are going hungry. But money and weapons are sent there instead of food."

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CSO: 3260/412

ECONOMIC

FINLAND

#### RIVER SHIPPING AGREEMENT WITH USSR EXTENDED

Helsinki HELSINGIN SANOMAT in Finnish 2 Jun 85 p 37

[Article: "Saimaa Lines Arranging River Shipping to Soviet Union"]

[Text] Saimaa Lines Ltd. has extended an agent agreement with the Soviet Union, according to which the firm will arrange river shipping to the Soviet Union and further on to Iran and the Mediterranean.

Director Viktor Aksyutenko of V/O Sojuztransit [All-Union Association of River Transport] signed the agreements on behalf of the Soviet Union for shipping by the Caspian Volgo Don Line and the Volgo Don Line.

Managing Director Reijo Niiranen and Deputy Managing Director Toivo Ninnas signed for the Saimaa Lines.

River shipping has been primarily used for transit shipping to Iran.

The Saimaa Lines is a transport and forwarding firm, which Finnish and Soviet firms established in 1968. Initially the firm was established for shipping on the Saimaa Canal.

Over the years the firm has expanded as trade with the East has increased. Its areas of operation are transport and forwarding, transit trade through the USSR to third-party countries -- for example, Iran, and transshipments or the handling, freighting, clearing and servicing of cargo in transit through Finland.

Previously, Saimaa Lines was involved in the shipping business, which, however, was halted in the beginning of 1984. Now the firm also operates as an international reservations agent for the m/s Georg Ots on the Helsinki--Tallinn line.

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CSO: 3617/121

ECONOMIC

FINLAND

#### STUDY GROUP ON AVIATION INDUSTRY SUBMITS RECOMMENDATIONS

Helsinki HELSINGIN SANOMAT in Finnish 4 Jun 85 p 22

[Article by Jyri Raivio: "Finnair Will Not Replace Valmet as Aircraft Builder"]

[Text] Paris--The proposal of the committee directed by Honorary Mining Counsellor Uolevi Raade to transfer the Finnish aircraft industry to Finnair has been finally buried. Negotiations between the Defense Ministry, Finnair, and the Ministry of Trade and Industry have concluded in a final decision, which means that Valmet will continue to be the only flag bearer of the Finnish aircraft industry.

Valmet's new interest in aircraft manufacturing is also demonstrated by the company's plans to increase its contribution to the American Avtek-400 cooperative venture.

The enthusiasm expressed by Valmet's General Manager Matti Kankaanpaa, who is attending the Paris Air Show, is dimmed by only one setback. In spite of its good promises, the state has left its previously funded aircraft development section IKO entirely to the care of Valmet. According to Kankaanpaa, public funding must be found to cover IKO's approximately 6-million markka annual budget. Otherwise, Valmet will be forced to consider the forceful reduction of the research and product development contribution of IKO and also of the aircraft industry.

#### Was Not Acceptable to Finnair

According to Kankaanpaa, all four parties in the negotiations in the spring were finally of the same opinion that an aircraft manufacturing company to be directed by Finnair as proposed by Raade's committee is not feasible. "Finnair cannot bring anything new this field and this area is not applicable to Finnair's strategy," says Kankaanpaa.

As far as Valmet was concerned, the decision to continue was, on the other hand, helped by the improved employment situation at its Kuorevesi Plant. When Raade's committee was appointed a couple years ago, in Valmet there was a fear of a complete standstill with respect to jobs after the completion of the Hawk training aircraft ordered by the Air Force.

However, the modification of used Draken destroyer aircraft purchased from Sweden will guarantee employment for at least 2 years according to Kankaanpaa. After that, the Avtek project may generate jobs.

#### Valmet Considering Avtek Expansion

Kankaanpaa, who participated in a meeting of the management of American Avtek on Monday afternoon in Paris, says his firm is currently considering increasing its Avtek contribution.

So far agreement has been reached only on the development and manufacture in Finland of Avtek's high-tech, specialized versions of twin-engine, fibre-glass aircraft and plastic landing gears for all the aircraft. In the next few months, however, a decision will be made as to whether Valmet will take on the manufacture of some civilian aircraft also at Kuorevesi. If it does, the company will at that time have to increase its funding contribution to the Avtek Company by 1 million dollars or approximately 6.5 million markkaa and invest in the production of fibre-glass at Kuorevesi.

#### Finnair's Tough Conditions

Finnair's newest aircraft, the American-made McDonnell Douglas MD-87, has also been highly visible at the Paris Air Show. Finnair ordered eight of these medium-range jets in January and will take delivery of the first one in September 1987.

McDonnell Douglas does not want to talk about the price of the transaction. The MD-87's list price is approximately 23 million dollars (approximately 150 million markkaa), but Managing Director Gunnar Korhonen, who is known as a legendary purchaser of aircraft, received a much cheaper price for his own introductory offer. Together with an Austrian airline Finnair is the first and so far also only purchaser of this new jet.

In addition to the cheap price, Korhonen demanded two other side conditions, which caused gray hairs for the seller. Funding, for which Finnair did not want to arrange a government guarantee that is generally required, was to be procured for the transaction from Exim Bank, the American export credit institution. The other condition concerned counter-purchases, which are now included in the trade agreement.

With great difficulty Douglas was forced to find an American banking consortium as the guarantor in place of the Finnish Government and also had to pay the costs of the guarantee. The counter-purchases, for their part, were put together by a large trade delegation sent to Finland by Douglas.

Finnair's intent is to purchase the first three MD-87's and lease four. The final four will not be delivered until the next decade and no decision has yet been made on the manner of their procurement.

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ECONOMIC

FINLAND

UNEMPLOYMENT, INVESTMENT TRENDS EXPECTED TO REMAIN GOOD

Helsinki HELSINGIN SANOMAT in Finnish 5 Jun 85 p 30

[Article: "Unemployment Can Be Reduced to Less Than 5 Percent, An Optimistic Forecast from Finance Ministry for 1985-1990"]

[Text] Finland's unemployment can be brought down to less than 5 percent if national economic production increases at a rate of 3 percent until 1990.

This optimistic assessment, although mitigated by many reservations, is contained in the Finance Ministry's report published on Tuesday, which deals with development prospects for the national economy and the state economy until 1990.

The supply of the labor force is now slowing down. Then unemployment can be permanently reduced if domestic inflation is kept in check for the next 5 years and businesses make sufficient investments in competitive production capacities.

Chief Director Pertti Sorsa (Social Democrat) of the Economic Section of the Finance Ministry, who presented this medium-range report, was pessimistic about the international environment for Finland's economy.

Sorsa predicted that growth in the OECD-countries will not exceed 2.5 percent. The International Monetary Fund IMF recently predicted that the growth rate for industrialized countries will approach the 3.5-percent figure in the next few years.

Sorsa had some other gloomy predictions about the world situation: The United States will be forced to tighten its economic policy, in Europe there will probably be no desire to adopt an economic restoration policy even though there is a need for one.

The most serious detriment to Finland's exports will come from the fact that demand seems to be sluggish and moreover there is a slow inflation rate in competing countries, which should not be exceeded in Finland because of price competitiveness.

The Finance Ministry is proposing seemingly familiar concepts of economic development. The target level, however, is surprisingly high: the inflation

rate must be brought down to the 4-percent level, at the most, in the next 5-year period.

If we do not succeed in restraining inflation, the improvement of employment will be postponed for many years.

The investment level must be kept at the present level, at the least, or it should be raised slightly. Enterprise investments for renewing production capacities should be accomplished in the near future in order to ensure exports at the end of the 1980s; also intangible investments should not be forgotten.

The gross tax level and the state debt should be kept approximately at the present level in relation to the gross national product.

The Finance Ministry estimated that the growth of public expenditures should be decelerated to approximately half of what it has been in the last 5 years.

The growth of expenditures in the municipal economy, in particular, must be slowed.

"The reduction of statutory obligations and an increase in room for movement is necessary in the state economy," stated Budget Chief Juhani Korpela in presenting a view of the report from the perspective of the state economy.

Korpela justified his comment by the fact that growth margin in the next 15 years in the state economy can be obligated to social expenditures alone even if no legislative reforms are made.

Sorsa emphasized the necessity of counter-cyclical economic measures in 1987 in particular. In 1986 production will increase satisfactorily, but development in 1987 will be modest.

A recession will be primarily the result of a weakening of exports but also of investments. Investments will slow down in 1986 and may even decline in 1987.

Private consumption will exceed the present level by 10 percent in 1990; the same holds true for public consumption also.

Counter-cyclical economic measures should be chosen and evaluated so that they will also support the efficient performance of the national economy even in later years.

Financial policy must be more stimulative than presently in 1986 and 1987. The primary emphasis should be on reducing the tax level even in 1986.

An attempt should be made this year already to promote the growth of fixed investments by reducing the effect of the high interest rate.

The Finance Ministry also considers the use of investment allocations to be expedient.

Public investments should be correctly timed and their emphasis should be on the development of a communications and data transfer network as well as on scientific research.

Finance Minister Ahti Pekkala (Center Party member) emphasized the tax policy contribution of the report. In the report Pekkala referred to the concept by which the gross tax level can be reduced in a few years. He added that the text does not contain any absolute stands, but it is primarily a mapping out of possibilities.

The premise for the tax revision is that enterprise and household taxation will be gradually reduced in the next few years and the corresponding reduction of revenue for the state will have to be compensated.

The position taken in the report is that the shortfall can be made up by increasing the yield of the sales tax.

Reference is made in the report to the harm caused by the high marginal rate of tax on households. The marginal rate of tax is already approaching an approximately 50-percent level at a rather average income level.

The sales tax structure should be simplified and made more reasonable. It should be accommodated in the legislation concerning accounting and trade tax.

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CSO: 3617/121

ECONOMIC

GREECE

#### POLITICS SEEN INFLUENCING NEW PASOK INITIATIVES

Athens MESIMVRINI in Greek 22 Jun 85 p 11

/Article by K. Kolmer: "Forced Landing"; passages enclosed in slantlines printed in boldface/

/Text/ /With its pronouncements on plans, the "new" government of Mr A. Papandreou is expected to emphasize the economic field and to make a turn toward a restrictive economy. At the same time, it is expected that an opening will be made toward the private sector at home and toward the West as far as foreign policy is concerned./

A multitude of factors are forcing Mr Papandreou to come down to earth and to abandon, at least temporarily, rhetoric that is so dear to him. Above all, his recent --and in any case questionable-- electoral victory literally frees his hands to follow up on the first phase of a "group of measures" that in their entirety are if not anti-popular are at least not demagogic in nature. (The exception is yesterday's unacceptable extension of the rent control legislation measure until the end of the year).

/The worsening economic situation of the country that accelerated during the long pre-electoral period --that began on 9 March when K. Karamanlis' resignation spurred this on to early elections-- constitutes the first and primary factor that dictates the taking of measures./ Of no less significance is the continuing isolation of Greece internationally where it is considered as the unruly child that makes bad company (terrorists, Arabs, etc.). A third factor is the existence of insolvable bilateral problems: Greece-United States, Greece-NATO, Greece-EEC, Greece-Turkey, Greece-Cyprus, Greece-Yugoslavia, Greece-Albania. The accumulation of such problems, besides constituting a bad beginning for a new --as it wants it to appear-- government, has some relation to the economic issue: for example, if Greece's relations with the United States do not improve how will "the purchase of the century" be implemented something that is being financed with 500 million worth of American military aid every year?

With NATO

Besides, if frictions with NATO are not smoothed out --the main points being our abstention from maneuvers, refusal for setting up the Larisa headquarters, as well as the problem of the allied covering of Limnos-- how will it be possible for Greece to follow the tremendous developments being noted in the field of strategic technology?

/Moreover, if the problem of Greek accommodation to the demands of the European Community is not solved, as defined in the entry agreement, how will it be possible to absorb the 2 billion dollars of the Integrated Mediterranean Programs?/

Finally, as long as substantial bases of understanding will not be reached at some point with irreconcilable neighbors, how will it be possible for the government to be left undistracted to tackle the interminable and almost incurable illnesses of the economy?

Therefore, the foreign sector is developing as a restrictive factor for the exercise of an effective economic policy domestically. And for the first time ever. In other words, with the exception of July 1984, Greece has never before in the post-war period ever had to face so many problems in its foreign relations as now. And these problems need some kind of settlement if the government is to seriously--as it alleges-- tackle economic problems for which it needs new foreign loans.

Indeed, the economic situation which is being described as a case of Hellenosclerosis will tend toward becoming a case of Hellenoparalysis if some basic stabilization measures are not at least taken. (Already during the first 6 months the gross domestic product has fallen back to negative figures).

#### Inflation

First of all is inflation which the International Monetary Fund estimates being over 20 percent if one were to subtract those sectors of consumption that are either subsidized or are arbitrarily "frozen." /So that inflation might be curbed and have it fall back to the EEC average level not only must the ATA /Automatic Cost of Living Adjustment/ be drastically cut --this ATA has become an institutional factor for fueling inflation and for stifling the Greek economy (Hellenosclerosis)-- but at the same time the huge government deficits must be reduced, deficits that surpass 17 percent of the gross domestic product./

So that government deficits might be reduced government expenditures especially must be cut since there is no prospect for an increase in public revenues given the fact that taxpaying capacity always comes behind expenditures (Parkinson's law).

If, however, inflation is not curbed and the public deficit not cut the explosive reverberations that will ensue in the balance of payments, which despite the continued slide of the drachma (it has depreciated vis-a-vis the SDR this year, 10 percent in the first 4 months) and large-scale borrowing by the state abroad (the Bank of Greece alone has borrowed 1.5 billion dollars during the first 6 months of the year), the situation is already appearing extremely alarming. And if for any given reason the financing of the deficit of current trade (2.4 billion dollars in 1984) becomes a problem (in 1986) then not only the government's economic program will become upset but the government itself. /Because without a minimum of social prosperity and well-being it would be difficult even for a newly-elected government to stand./ And, unfortunately, prosperity and well-being in Greece is measured by the sufficiency of goods in the market that cover all the other shortages of the Greek economy and not by the general health of the economy itself. /So, Mr Papandreou, whether he likes it or not, is being led to a reading of plan statements that will be an unpleasant awakening for his followers./ That is perhaps why Saturday was selected for the announcement of new economic measures. So that there would be no margins for avoiding the panic of bitterness.....

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CSO: 3521/289

ECONOMIC

GREECE

STATISTICS ON INCOMES, TAXES PAID

Athens MESIMVRINI in Greek 24 Jun 85 p 15

/Text/ According to data provided by the Statistical Service and that was published recently, 1,805,778 Greeks, representing 61.1 percent of the total number of families in the country, declared total incomes of 911.4 billion drachmas for the 1983 fiscal year.

Of these incomes, 86.2 percent or 785.2 billion drachmas were declared in the husband's name, while 126.2 million drachmas, i.e. 13.8 percent, were declared in the wife's name.

The 49.6 percent of the taxpayers and 54.3 percent of the declared incomes (895,208 taxpayers and 495.3 billion drachmas of incomes) are from the Athens area, while 50.4 percent of the taxpayers and 45.7 percent of the declared incomes (910,570 taxpayers and 416.1 billion drachmas incomes) are from the remainder of Greece.

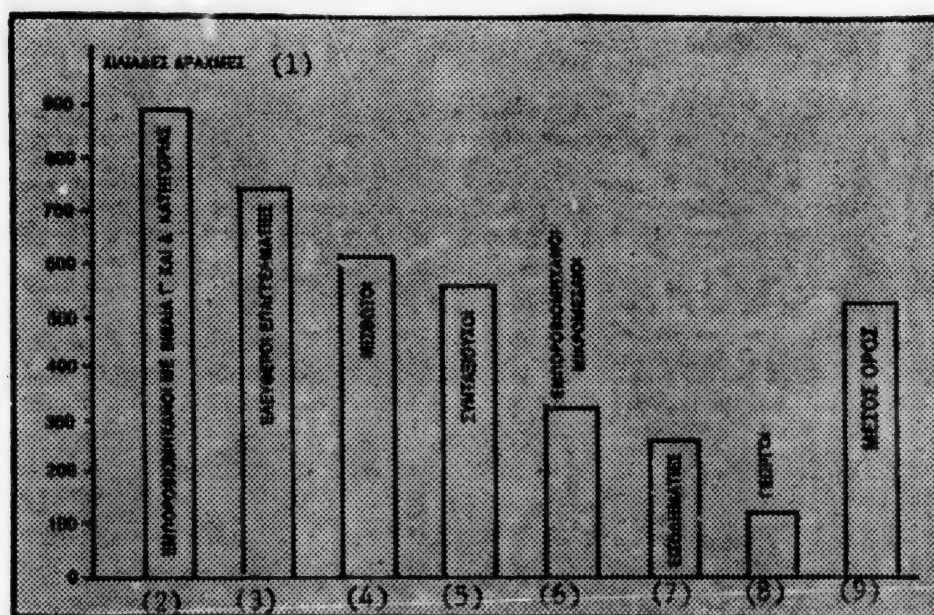
The average declared annual income for Greece overall is 504,716 billion drachmas a year. Specifically for the Athens area, this figure is 553,306 billion drachmas and 456,945 billion drachmas for the rest of Greece.

The breakdown of taxpayers and declared incomes by category of income is as follows:

Category (in thousands of drachmas)	Number of Taxpayers	Income (in billions of drachmas)
Up to 100	172,480	7.4
100-150	97,297	12.1
150-200	110,198	19.2
200-300	241,290	60.0
300-500	450,935	178.7
500-1,000	557,917	385.0
1,000 and above	175,661	249.0
Total	1,805,778	911.4

Salaried workers declare (and pay) most of the taxes. This is once again evidenced in the breakdown of taxpayers of incomes in accordance with their origin. Thus, services salaried workers make up 72.4 percent of the incomes with 659.9 billion drachmas, followed by business and industrial firms with 16.3 percent of the total, namely 148.5 billion drachmas, while in third place are building and construction firms with 74.4 billion drachmas representing 8.2 percent of the incomes. These three sources make up 96.9 percent of the total declared income, while other sources are broken down as follows: liberal professions with 24.6 billion drachmas or 2.7 percent of the total; movables with 2.8 billion drachmas or 0.3 percent; agricultural firms with 960.6 million drachmas or 0.1 percent of the total; and leasing of lands with 224 million drachmas.

#### Average Annual Income by Occupation in 1983



#### Key:

1. Thousands of drachmas
2. Businessmen and industrialists with C and D Category accounts
3. Liberal professions
4. Salaried workers
5. Pensioners
6. Small and average-sized businessmen and industrialists
7. Rentiers
8. Farmers
9. Average

The average overall declared family income during fiscal year 1983 was 504,716 drachmas. The above table shows the average annual declared family income by occupation.

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ECONOMIC

GREECE

BRIEFS

DECREASE IN INDUSTRIAL PRODUCTION--According to data from the Statistical Service, industrial production showed a slight decrease by 1.1 percent during the first quarter of the year compared to the same period in 1984. This decrease was due to a drop of 2.4 percent in industrial production and 0.9 percent in mining production, while on the other hand electric and gas production increased by 8.2 percent. Specifically with regard to industrial production, it is noted that the rate in production decreases observed from the beginning of the year is slowing down. The index is influenced primarily by the big drop in the production of capital goods (9.3 percent) that is due to a decrease in investments. On the other hand, the production of consumer goods showed a 1.4 percent increase, while the production of durable consumer products was approximately steady (0.1 percent drop). Moreover, according to other information, agricultural production is developing satisfactorily and it is believed that in the long run the goals for an increase in the gross domestic product will be attained and there is no question that the original forecasts will be revised. /Text/ /Athens TO VIMA in Greek 20 Jun 85 p 21/ 5671

ALUMINA DELEGATION TO MOSCOW--A Greek delegation is in Moscow for final discussions in connection with the construction of an alumina plant in Greece. The delegation will discuss details of the plant's machinery to be installed by the Soviets. Specifically, the delegation will examine the final cost of the technological equipment that represents almost half of the overall cost of the project. It is pointed out that the Soviet Union will finance the construction of the plant by making available the technological equipment. /Text/ /Athens ETHNOS in Greek 16 Jun 85 p 5/ 5671

CSO: 3521/289

ECONOMIC

PORTUGAL

POLL ON EEC ENTRANCE REVEALS 'COLLECTIVE IGNORANCE'

Lisbon EXPRESSO in Portuguese 8 Jun 85 pp 20R-21R

[Article by Joaquim Vieira]

[Text] Although it has already been announced that the agreement on joining the EEC will be signed next week, only about 40 percent of Portuguese say that their country's entry into the European Community on 1 January of next year (as scheduled) will actually come to pass--according to a nationwide poll conducted in May by EXPRESSO and Euroexpansion.

Does that reflect pessimism or a lack of information? Judging from the number of people who could not answer the question (almost half of those interviewed), it seems to be a clear case of collective ignorance. Over 50 percent of Portuguese seem to know nothing about the matter, and that in itself is not a very encouraging sign. Considering the daily emphasis by the chief media (radio and TV) on our imminent entry into the Common Market (and even though their coverage is in the form of partial and superficial information larded with technical jargon and devoid of any attempt to educate), there is reason to be concerned about the reasons why the majority is ignorant of this historic turning point. The story of the young shepherd shouting wolf might be mentioned (there has been so much hammering on the subject in recent years that the population has already learned to turn its attention elsewhere when the matter is mentioned), but the responses to the poll also reflect a measure of disillusionment--as though very few people believed that joining the EEC would change anything or bring any kind of benefit.

The responses to this question, which are summarized in table 1, reveal the existence of differences depending on one's geographic-social environment. In fact, the degree of ignorance increases as one moves away from Lisbon and the Central Coast toward either the north or the south. Indifference reaches its peak on the North Coast--a region of small and medium-sized industries and smallholdings where three out of four citizens seem unaware of what is happening in the process of joining the EEC (do they even know what those three letters stand for?).

It is the young people who are best informed: the older people are, the less information they seem to have. It is not surprising, therefore, that matters

related to the Common Market are of interest chiefly to those who will live out their entire professional lives under the aegis of European unity.

The question also becomes less important as one moves from the highest socio-economic group through the middle groups to the lowest. This also reflects people's expectations, or very simply their lack of expectations. Women are shown to be much more removed from the subject than men are. But in this case, the figures are less surprising: they simply provide one more indication of the inequality that still exists between the two sexes in Portuguese society.

The same poll also included a series of questions concerning the general state of the Portuguese economy and the consequences of joining the EEC. Those same questions have been asked in regular polls since March of last year.

The overall picture of opinion concerning the economic situation is shown in graph 1. Respondents were given a set of five answers and asked to choose one (the economy is "very good," "good," "neither good nor bad," "bad," or "very bad"). The percentages of those expressing a positive opinion ("very good" or "good") and those reacting negatively ("bad" or "very bad") were then added up separately. The difference between the two values was then determined, and that is the result presented in the graph, in which the maximum level--"very good" or "very bad"--represents 100 percent relative to the positive or negative responses.

In all the polls, which were conducted over a period of just over 1 year, the number of negative responses far exceeds the number of positive responses. Curiously, however, the difference has narrowed slightly in recent times, although it is still above 50 percent.

Concerning the study conducted in May, we draw attention to a number of individual figures: only 0.6 percent responded "very good" and 1.8 percent said "good," while 37.4 percent said that the economy was "bad" and 42.9 percent called it "very bad." Those saying it was "neither good nor bad" totaled 12.1 percent, while 5.2 percent said they did not know. Negative opinions are much more numerous in Lisbon and on the Central Coast (where over half of those polled responded "very bad" and where, curiously, people are better informed concerning the process of joining the EEC).

In response to a related question, over 40 percent of those polled said the economic situation was going to get worse, while only about 10 percent said they expected improvement, and 27 percent were of the opinion that everything was going to stay the same.

In the matter of predictions concerning the effects of Portugal's entry into the Common Market (graph 2), the results are seen to be somewhat invariable: the number of positive responses ("good") exceeds the number of negative responses ("bad"). However--and this is no longer surprising--a simply majority (over 40 percent in every case) still has no opinion.

Those who answered "good" were asked which sectors they felt would benefit from entry into the EEC: agriculture, trade, industry, or fishing. Similarly, those

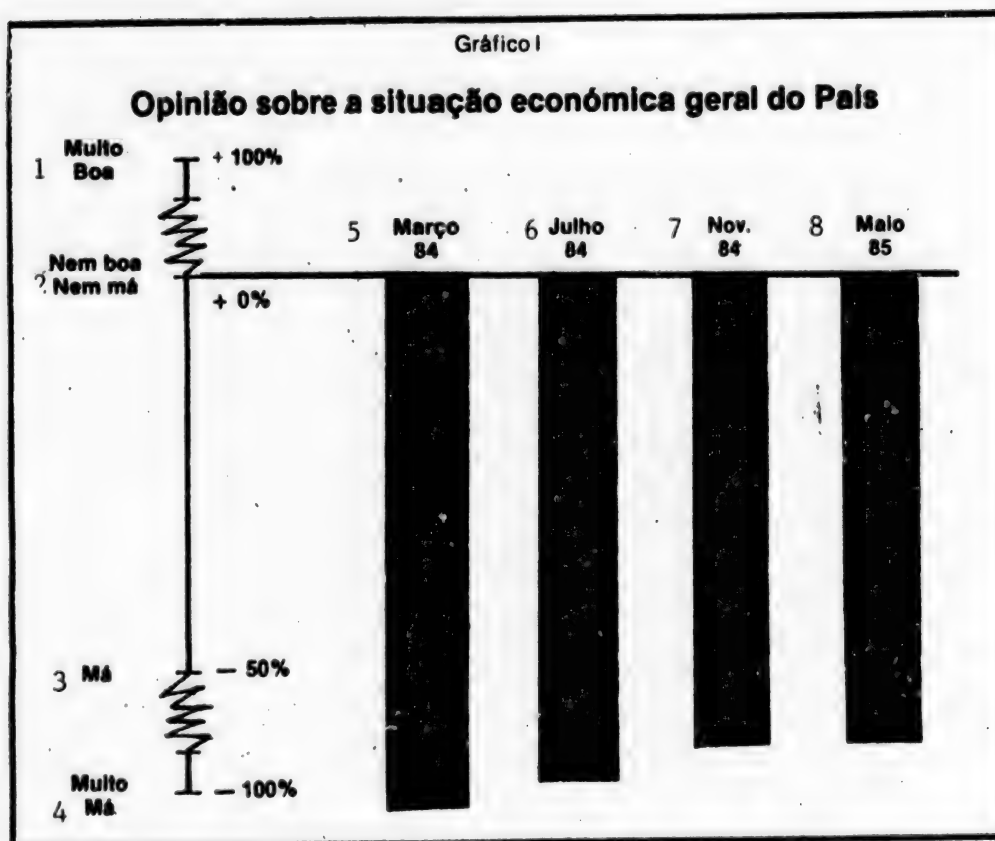
who answered "bad" expressed their opinions concerning the negative effects on those sectors. Graph 3 shows the balance between positive and negative responses for each sector (it should be noted that in every case, about 10 percent of those describing membership in the EEC as advantageous had no opinion on this point or were unable to answer, while in the case of those considering membership harmful, the figure was 20 percent). It should be emphasized that in every case, trade and industry were the sectors receiving more positive than negative answers.

In July [1984], overall opinion was favorable to all sectors, but in the other polls, it was considered that agriculture and fishing would be harmed. That opinion is strongest at present, while at the same time, trade and industry are seen as having less chance of benefiting from Portugal's integration with Europe.

Table 1: Prospect of Entering EEC (1985 Poll)  
(in percentages)

Description	On 1-1-86	Later	During 1986	From 1987 to 1990	1991 or later	Don't know
Total	41	10	3	6	1	49
Region:						
Greater Lisbon	48	15	5	8	2	37
Greater Porto	47	8	2	4	2	45
North Coast	24	4	1	3	0	72
Central Coast	49	16	7	8	1	35
North Interior	40	5	2	2	1	55
South Interior	39	10	3	6	1	51
Age:						
15-24	50	11	4	6	1	39
25-34	45	12	5	6	1	43
35-44	39	10	2	6	2	51
45-54	38	13	3	10	0	49
55-64	34	7	2	4	1	59
65+	29	7	5	1	1	64
Status:						
High, high middle	56	20	5	13	2	24
Upper middle	58	9	5	3	1	33
Lower middle	34	10	3	6	1	56
Low	28	5	2	3	0	67
Sex:						
Male	51	11	4	6	1	38
Female	32	9	3	5	1	59

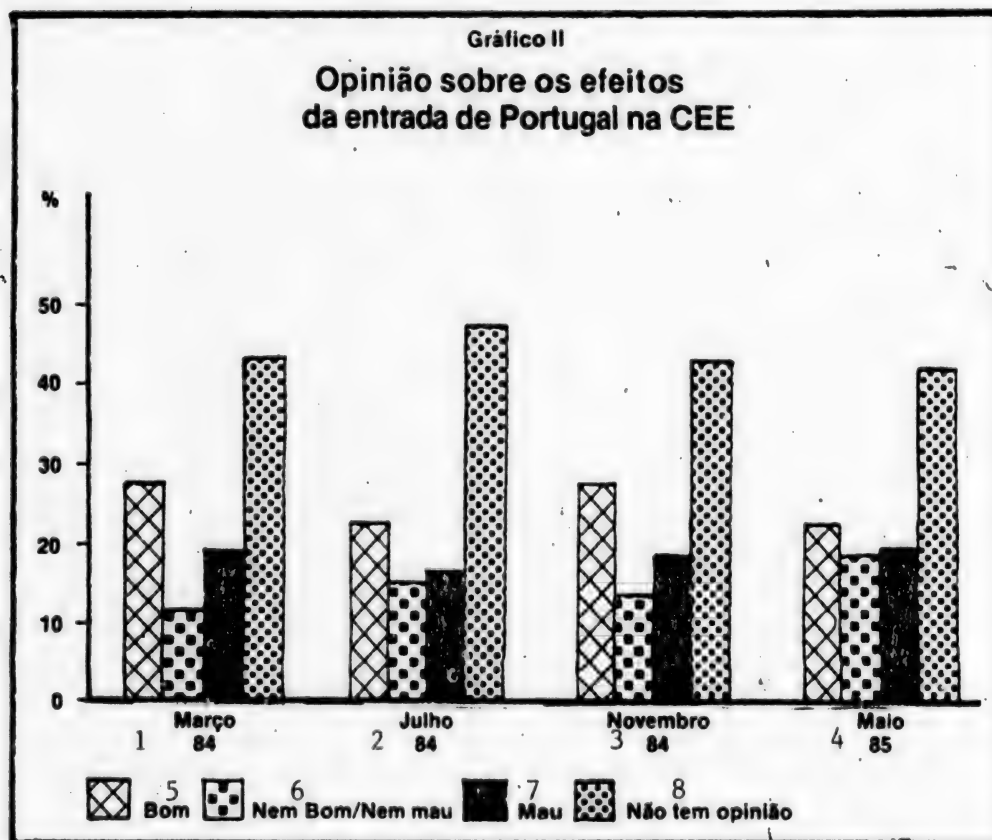
Graph 1: Opinion Concerning the  
Country's General Economic Situation



Key:

- |                         |                  |
|-------------------------|------------------|
| 1. Very good            | 5. March 1984    |
| 2. Neither good nor bad | 6. July 1984     |
| 3. Bad                  | 7. November 1984 |
| 4. Very bad             | 8. May 1985      |

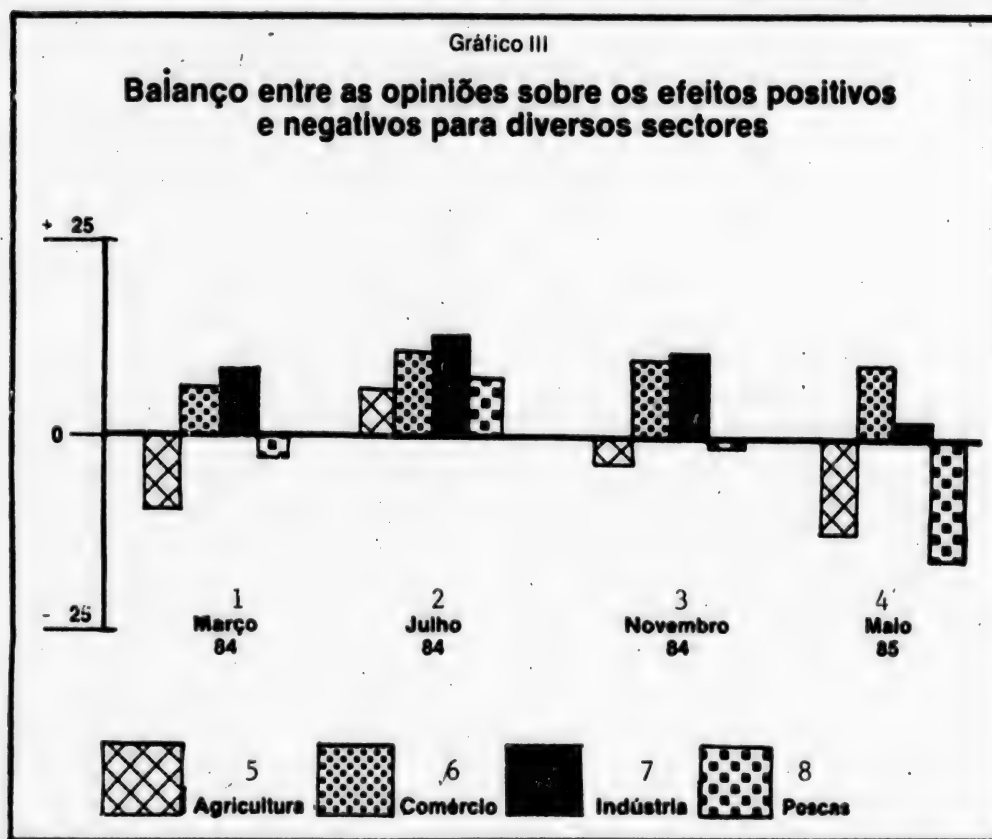
Graph 2: Opinion Concerning the Effects  
of Portugal's Entry into the EEC



Key:

- |                  |                         |
|------------------|-------------------------|
| 1. March 1984    | 5. Good                 |
| 2. July 1984     | 6. Neither good nor bad |
| 3. November 1984 | 7. Bad                  |
| 4. May 1985      | 8. No opinion           |

Graph 3: Balance Between Opinions Concerning the Positive and Negative Effects on Various Sectors



Key:

- |               |                  |                |             |
|---------------|------------------|----------------|-------------|
| 1. March 1984 | 3. November 1984 | 5. Agriculture | 7. Industry |
| 2. July 1984  | 4. May 1985      | 6. Trade       | 8. Fishing  |

#### Methodological Data

The most recent poll in this series, having as its universe the population residing in localities with five or more households on the Portuguese mainland, was conducted using a sample of 1,023 individuals contacted personally in their homes. The random sample, stratified by region and habitat, was weighted by those two variables plus age and sex. The fieldwork was carried out between 29 April and 24 May by 58 supervised interviewers. Maximum error in the results is 3.1 percent, with probability of 95 percent. The basis of the other polls, conducted in the months indicated, was identical. Euroexpansion is responsible for the study, and EXPRESSO is responsible for analysis of the results.

ECONOMIC

SWEDEN

# SDP'S SUCCESS IN REORIENTING WELFARE STATE POLICIES ANALYZED

Hamburg DIE ZEIT in German 24 May 85 pp 27,28

[Article by Wolfgang Zank: "More Courage Than the Middle Class; 4 Months Before the Election the Swedish Minister of Finance Is Able to Present a Successful Balance Sheet"]

[Text] In Sweden the Socialists are not afraid to reduce taxes, to curtail subsidies drastically and to carry out a training offensive instead of unemployment programs.

May had come, the sun was shining and a larger than average crowd had gathered at the Norra Bantorget in Stockholm to take part in the May rally. The principal speaker was Olof Palme, Sweden's Social Democrat Prime Minister. He took advantage of the opportunity to bombard the middle-class opposition rhetorically, especially the Conservatives. They are a "special interest party for the better-off." If Ulf Adelsohn, their chairman, should ever become prime minister, then Sweden will become a "society of competition and confrontation where people fight against each other. Mistrust, jealousy and oppression will spread." There is no doubt about it, in Sweden the election campaign has begun.

Polls confirm a certain lead, although it has clearly shrunk in the last 6 months, for the socialist parties for the September election. The opposition owes its present majority chiefly to the wage earner fund introduced in January 1984. In accordance with this plan, businesses must divert a portion of their profits to five union-controlled funds, which in turn buy stocks with the money. No subject has stimulated debate as much as this fund. In October 1983 and again a year later, it went so far as the unusual drama of mass demonstrations by employers. The demand for repeal is still glued to countless automobile rear windows.

At the same time the actual significance of the fund is rather limited. The stockmarket reporter of the liberal DAGENS NYHETER at any rate points out to his readers that nothing is changing in the distribution of power in the Swedish economy. For that matter, it was primarily the fear that the fund was merely the first step on the path to total socialization which gave rise to the massive reaction. The huge unifying theme was handed to the middle-class parties, who before 1982 were largely incapable of action because of continual

infighting. There has been no comparable mobilization on the part of the unions. In the eyes of most workers, the fund has only led to the fact that, along with the traditional capitalists, a few union functionaries now are speculating in the stock market.

An additional campaign theme working to the advantage of the opposition is the displeasure of many Swedes about the proliferation of national bureaucracy. Bo Sandelin, an economics professor at the University of Goeteborg, illustrates his discontent thus: "I am completely in favor of a fully developed public health service. But does everything have to go through one national authority? At any rate, the health administration, with its extensive powers, is making the work of the remaining few private doctors extremely more difficult. As a result an initiative of private physicians, which met with great public approval was quickly announced; they could only earn money for about half of their treatments. Only after massive protests was this step repealed."

Such occurrences are not the exception. Many interviewees expressed the idea that the appreciation of the problem that bureaucratic apparatuses, even when established for a very worthwhile purpose, can take on a life of their own and generate a desire for power is still quite underdeveloped among the Social Democrats.

On the other side, the Social Democrats, as the conservative SVENSKA DAGBLADET acknowledged, have at their disposal "an indisputable trump card, namely the competent Finance Minister himself:" Kjell-Oluf Feldt, born in 1931, studied economics, first officer of the central bank for a period, minister from 1970 to 1976, member of the party leadership of the Social Democrats since 1978, and since Palme's election victory in the fall of 1982, architect of Swedish economic and financial policy. Nowadays, Feldt is always in a great mood when he is able to present new statistical conclusions, actualized budget calculations and such for since his assumption of office everything seems to be straightening out:

-The balance of payments, or the balance of all international flow of goods and currency, came out positive again in 1984. In 1982, there was a 23 billion krona deficit (about DM 8 billion). Sweden is thus no longer living on credit.

-The deficit in all public coffers now represents only about 2.9 percent of the GNP; in 1982 it was still 6.3 percent. Thus Sweden is now considerably below the average of Western industrial nations which belong to the OECD.

-Inflation has been noticeably dampened. While about 5 years ago the record stood at 15.5 percent, in 1984 it was approximately 7.4 percent and this year, according to the economics institute, it is approximately 3.7 percent.

-The number of persons employed rose by 36,000 in 1984; the figure for 1985 will be approximately 40,000. In spite of the continuous influx into the labor market, the rate of unemployment is falling; the 1985 annual average will be less than 3 percent.

Especially with regard to labor market conditions, the Swedish situation is completely out of the ordinary in international comparison. The low rate of employment becomes especially significant against the backdrop of a much larger labor force. The share of persons in the age group from 15 to 64, who are interested in a position is presently 82 percent (OECD average: 69 percent). The Swedish economy was even more successful in the creation of jobs than the USA which is always given as a model in discussions.

To a considerable extent, this is attributable to the welfare state. The expansion of kindergartens, of schooling, of the health service, of the care of the elderly in homes and especially at home have lead to a considerable increase in the supply of jobs, especially on the local level. Many of these jobs are part time positions occupied primarily by women.

In recent years, in a break with the longstanding trend, employment in industry has also shown above average growth, especially in the private sector. Favored by the drastic devaluation of the krona in October 1982, with which Feldt celebrated his new job as finance minister and which lowered the price of Swedish products on the international market by 16 percent all at once, industry heavily oriented to exports is experiencing a pronounced boom. Industrial investment is climbing almost in a frenzy: 16 percent last year, approximately 25 percent this year. This led to a higher demand on the labor force, although--or because--factories are totally rationalized and have the highest concentration of robots in the world. Skilled workers and especially technicians are sometimes frantically sought.

A significant contribution to the containment of unemployment was achieved by the labor market policy with its extraordinarily extensive repertory of instruments and institutions: retraining facilities, relocation assistance, sheltered workshops for the handicapped, salary subsidies and job creation measures. As a temporary last resort, in January 1984 a law to combat youth unemployment went into effect: local governments are required to offer any youth who wants it a job for 4 hours a day. Overall, about 4 percent of the total labor force is covered by some labor market policy measure. At the present time, in this regard, retraining is still being expanded, while the aid for job creation measures is being cut. The number of persons employed in these rather artificial jobs fell by 16,000 in 1984 and continues to decline.

Similar movement may be observed in the realm of industrial policy. At the end of the seventies under the effects of the recession the middle-class government itself moved increasingly toward maintaining companies which were operating in deficit with government subsidies to protect employment. This was true especially for shipbuilding. Then Feldt came in with the intention of switching industrial policy from defensive to offensive measures: subsidies at best for creation of new jobs, but no longer for underwriting unprofitable enterprises. In fact, within 2 years he cut subsidies from 16 billion to 5 billion krona. Defensive subsidies were almost totally done away with.

This policy was subjected to a difficult test at the end of last year when it became apparent that the great shipyard in Uddevalla with its 2300 employees could not be brought out of the red. The Stockholm government stuck to its

guns and on 11 December the decision was made to shut down. Of course, the essential features of a development plan for the region were at least informally explained beforehand. The most significant measure is the construction of a new Volvo plant. The company is receiving a government subsidy of approximately 200 million krona for it. That is about 10 percent of the total investment.

Incidentally, with his relatively strict financial policies and his strong emphasis on supply-side measures, Feldt is completely within the Swedish Social Democrat tradition. In the fifties, its theoreticians had already refused to inflate total demand artificially through government expenditures for the protection of full employment. They claimed this would only lead to inflation which would have devastating effects in a country as dependent on exports as Sweden. Therefore, Olof Palme answers the public service wage demands and the wildcat strikes of government workers with lockouts rather than with accommodation, even though he could hardly welcome a lengthy labor struggle a few months before the election.

Feldt is also a traditional Social Democrat in that he strictly refuses to renovate the nation's finances through cuts in the welfare state. To the contrary, he reversed cuts made by his predecessors. Though the welfare state continues to cost a great deal of money, Feldt however saw no possibility of reducing the high tax burden of about 50 percent of the GNP. Nor has he raised it any higher.

However the tax system has been considerably reorganized under his aegis. First, the high income tax was rolled back; the highest rate is now 75 percent; in 1982 it was still 85 percent. This year only about 12.5 percent of all wage earners will have a marginal tax load of more than 50 percent imposed on them; in 1982 it was still 35 percent of taxpayers. The development of increasingly higher marginal tax rates, which, ironically, had reached its high point under the middle-class government, has been turned around. On the other hand, Feldt has reduced the possibilities for deductions or allocations of loss.

Similarly, he restructured the--traditionally low--business taxes. Finally, a few excise taxes were raised. With the same overall tax burden, Feldt was careful to be sure that work, savings and other productive activities were relieved of their burden and the emphasis was transferred more heavily to consumption.

The problems of the underground economy and of the emigration of those with high salaries and the unattractiveness of Sweden for foreign specialists have not been eliminated, but perhaps reduced. "For example, we had here the case," according to Goeteborg economics professor Bo Sandelin, "that a Dutch expert turned down the chair he was offered in Spanish literature. His income after taxes in the Netherlands as a lecturer was considerably higher than as a professor here. However, such cases are often overrated. Sure, our sports stars like Bjorn Borg or Mats Wilander have taken to their heels. That is bitter medicine for our sports fans. But economically that problem has virtually no effect."

### No Sacrificial Farmers

The continued success of the Stockholm course depends on whether it manages to keep price and wage evolution within narrow limits. To that end, the government is working, along with its relatively strict spending policies, with a palette of measures to combat inflation: forced saving of surplus liquidity of businesses in the central bank, blocking of farmers' demands for higher farm prices and statutory price freezes.

Above all the unions are constantly encouraged to hold off on wage demands. Last year this had only limited success. But at the beginning of this year, the unions in the umbrella organization LO accepted a salary framework of 5 percent. This probably represents another, though limited, decrease in real salaries. The union of national employees alone is not cooperating and began wildcat strikes at the beginning of May to push their demands for higher wages. But here again, the government finally asserted itself to a large extent.

"They have not had the right to strike as long as we have; they also lack our experience in negotiations," remarked Sten Magnusson, ombudsman of the Goeteborg metal workers union, about the strike.

### Moderate Officials

"They simply still have to learn where one perhaps must be insistent and where one merely hurts himself by overly rough behavior."

In general, moderate statements are heard as a rule from Swedish unions, leadership as well as rank and file, such that politicians and employers elsewhere would like to share in their unmitigated joy. It is said, for example, that there is no real purpose in attempting to change the profit/wage distribution of the proceeds of business in favor of wages, since there have to be profits. The unions have also put up with the closing down of unprofitable businesses, even the mass layoff in the case of the Uddevalla shipyard.

The moderate behavior is in no way a result of weakness. On the contrary, the level of organization is the highest in the world and the union influence is significant. This is true as much on the company level as in the formulation of national policy. In fact this influence makes the limits of what is possible more recognizable. Furthermore, there is no need to cash in on weakness through militant activities.

A further cause is the welfare state. For example, the closing of the shipyard in Uddevalla most certainly had substantial consequences for those affected; for many older workers, an early retirement is all that remains. But the effects are insignificant in comparison with an English mining town shut down by bankruptcy. For that reason the Swedish labor movement produces no Arthur Scargill. This is an aspect which is often overlooked in the criticism of the welfare state: through relatively even distribution of the burdens, it functions as the grease for structural change.

12666

CSO: 3620/411

ENERGY

FINLAND

#### SEVERE WINTER GREATLY INCREASED ENERGY CONSUMPTION

Helsinki HELSINGIN SANOMAT in Finnish 10 Jun 85 p 30

[Article: "Winter's Cold Drastically Increased Need for Energy"]

[Text] Energy consumption increased at an exceptionally fast rate in the first few months of the year. According to a report of the Ministry of Trade and Industry, a full 9 percent more energy was used in January-March than in the corresponding period last year or 8.4 million equivalent oil tons.

The consumption of electricity increased more than the total consumption of energy. A 14-percent increase in consumption raised the use of electricity to 15.41 terawatt hours in the first quarter of this year.

The reason for this forceful increase in energy consumption was according to the report the unprecedented and prolonged cold weather in January-February. Household heating consumed 15--20 percent more energy than a year ago. Also the severe cold weather increased the use of energy for industry and traffic. Also it became necessary to heat raw materials and intermediate products more than usual in the forest industry.

The production of municipal heating and municipal thermal power increased more than one-fifth. In addition to the cold weather, the use of municipal heating was increased by the expansion of municipal heating operations. This increase was primarily produced by heavy fuel oil in high-temperature boilers. The increase in actual electric heating and the use of additional heaters increased the use of electricity in households. Electric consumption in uses other than industry increased nearly one-fourth in comparison with January-March of the previous year.

Cold weather increased the use of peak energy. The frosts made it difficult to use scrap wood in industry. Thus the use of imported fuels increased. At the same time the proportion of domestic energy decreased to less than 30 percent for the first time in a long time. Its proportion of total energy was approximately 29 percent in January-March.

Since the beginning of the year 34 percent of the energy has been produced by oil, which is slightly more than for the corresponding period last year. The use of oil increased 12 percent.

The consumption of nearly all oil products has increased. The use of fuel oils increased 15 percent. The use of oil for heating homes, however, still seems to be declining forcefully and municipal heating continues to replace the use of oil. The cold weather changed the development trend only temporarily.

The use of coal increased nearly 50 percent. The reduced production of hydroelectric power and the winter's vast need for electricity increased the demand for coal. The use of coal increased in all consumption sectors, but especially in the production of condensation power. The proportion of coal in total energy was 16 percent while it was 11 percent a year ago.

The use of natural gas is on the increase according to the report. Its use accelerated in the first half of last year already and has continued to do so energetically.

10576

CSO: 3617/126

ENERGY

GREECE

BRIEFS

FUEL IMPORTS RISE--The seasonal increase in fuel imports resulted in an increase of the trade balance deficit of 1,492,000 dollars at the end of March compared to 1,397,000 dollars last year. It is to be noted that during the first quarter of the year fuel imports amounted to 810 million dollars compared to 675 million dollars in 1984. Imports of other products dropped to 1,684,000 dollars compared to 1,890,000 dollars last year, while exports showed a drop to 1,002,000 dollars (from 1,168,000 dollars). The deficit in the current balance of trade amounted to 1,070,000 dollars at the end of March compared to 926 million dollars last year. The increase in the import of capital resulted in an increase in foreign exchange available funds from 954 million dollars in 1984 to 1,056,000 dollars this year.  
/Text/ /Athens TO VIMA in Greek 14 Jun 85 p 17/ 5671

CSO: 3521/289

ENERGY

NORWAY

FOREIGN POLICY ASPECTS OF OIL, GAS EXTRACTION STUDIED

PM171511 Oslo AFTENPOSTEN in Norwegian 10 Jun 85 p 48

[Flemming Dahl report: "Research Into Oil and Foreign Policy"]

[Text] Foreign and security policy aspects of Norway's oil and gas production activities are now being given increased attention by researchers at the Norwegian Foreign Policy Institute [NUPI]. In several projects the state-funded, but academically freestanding institute will show that the administration of resources under the seabed involves more than domestic policy, economics, technology and jobs.

The results of the projects will be published in reports, articles and lectures in the coming months and years. It is NUPI's hope that key figures in the oil and gas industries--both those in industry and politicians--will be given a better basis for their decisions.

Statements from prominent figures in government in recent years indicate that they have been reluctant to turn oil and gas into foreign and security policy issues. But concrete situations have shown that they have had difficulty in succeeding with this.

Various situations speak for themselves:

The Reagan administration in Washington has stressed repeatedly to West European countries that for security reasons they should buy more Norwegian and less Soviet gas. At the same time, it has stressed to the Norwegian authorities that they should accelerate the expansion of the gigantic Troll gas field northwest of Bergen, so that the continent's need for supplies from Siberia is weakened.

It was the British Government--and not the British state gas distribution company BGC [British Gas Corporation] which gave the thumbs down in February to British imports of Norwegian gas from the Sleipner field. For as long as possible the Norwegian authorities tried--officially at least--to keep out of the negotiations between the BGC and the companies selling on the Norwegian side, but in vain. Prominent representatives of the Oil and Energy Ministry and the Foreign Ministry were finally to be seen at decisive Sleipner talks with representatives of the British authorities.

Last fall when Statoil, Norway's state oil company, reduced its oil prices to make sure of its seller's position on the international surplus market, this led to a major tremor both in the oil market and the international financial world. OPEC was among those who criticized the Oslo Government for what Statoil had done. The government in its turn found that it had to take its own company to task for not holding high-level consultations first.

OPEC has more than once called on the Oslo Government to set limits on Norwegian oil production to help to balance supply and demand on the international market and consequently to help produce stable prices. The government has refrained from any such action, but there are insightful Norwegians who have said that OPEC's request should be complied with.

Norwegian and Soviet exploratory drilling in the Barents Sea has on both sides begun to approach the disputed area to which both Norway and the Soviet Union are laying claim. There can be no doubt that exploration in the north is being followed with a watchful eye not only by Oslo and Moscow--but also by Washington and NATO headquarters in Brussels.

Prior to the Norwegian authorities' allocation of new exploration rights on the continental shelf it has happened that in talks with Norwegian Government representatives, representatives of foreign governments have spoken warmly of their own country's oil companies. It is perhaps difficult even for the Norwegian authorities themselves to say to what extent they have been influenced in the assessment of individual oil companies in a foreign policy as well as a purely business context.

On one or two occasions foreign policy issues have become involved when Norwegian authorities have intervened and demanded that oil companies should give contracts to Norwegian rather than to foreign firms. In two well known cases Norwegian authorities have had to respond to critical communications from the West German and Dutch authorities.

Thus the NUPI researchers have concrete situations on which to draw when they come to evaluate material on the significance of oil and gas for Norway's role in the world community. In addition, the researchers will base their feelings on interviews with central figures at home and abroad, on the reading of current literature, and their own analytical work.

Initially four researchers will work full-time on the planned NUPI projects. They are Johan Alstad M.A., Ole Gunnar Austvik B.SC (Econ), Janne Haaland Matlary M.A., and Political Science Professor Martin Saeter Ph.D. The latter will coordinate the projects.

Johan Alstad will head a project dealing with the foreign and security policy aspects of oil and gas activities in the Barents Sea and on Spitsbergen. The effects of such activities on local communities and the environment will also be included in the project. Alstad is a deputy advisor at the Oil and Energy Ministry but will now work as a guest researcher at NUPI.

Ole Gunnar Austvik will head a project on the export of oil and gas and the effects of this on Norway's relations with recipient countries. Prices,

rates of exchange and the volume of sales will have a Central Bureau of Statistics, but is at present on secondment to NUPI.

Janne Haaland Matlary will head a project illuminating what factors influence other countries' decisions on the purchase of Norwegian gas. According to NUPI, a better insight into how private companies, authorities and other interested parties affect such decisions will be valuable for Norwegian strategic thinking. Haaland Matlary is an adviser at the Oil and Energy Ministry, but is a guest researcher at NUPI at present.

Martin Saeter will head a project intended to throw light on Norway's ability to exert active influence on the formulation of EEC energy policy. With such an influence Norway will be able to help organize the regional European gas market in harmony with Norwegian interests. Saeter is permanently attached to NUPI. Martin Saeter told AFTENPOSTEN that for many years NUPI has been interested in questions of the type on which it is now focusing, but that a shortage of resources has prevented a concerted effort to throw light on them.

The effort rests on support from the State Council for Research and Social Planning. In the first instance, support has been given for 2 years, but it is Prof Saeter's hope that it will become permanent. NUPI wants the research into the foreign and security policy aspects of oil and gas to be as useful as possible. To the extent that the institute's capacity permits it, NUPI is prepared to undertake special investigations at the request of the central authorities.

CSO: 3639/126

ENVIRONMENTAL QUALITY

PORTUGAL

AZORES DRINKING WATER REPORTEDLY CONTAMINATED

Lisbon DIARIO DE NOTICIAS in Portuguese 18 May 85 p 11

[Text] Experts from the Azores Health Department told the Portuguese News Agency (ANOP) that the water drunk by the Azorean population shows a disquieting index of "microbiological contamination."

Citing a study of the water quality of the archipelago ordered by the Regional Secretariat of Social Affairs from the University of the Azores, health experts indicated the "lack of protection for the springs and the deteriorating condition of the distribution networks as the main causes of the pollution of drinking water in the islands."

According to the specialists, "access to the existing water springs in the Azores, for the most part, is not barred to people and animals."

The pipes of the distribution network "are old and made of porous material such as clay, which permits the infiltration of bacteria."

The scientists complain particularly about the pollution of the water by animal excrement.

Several Municipal Chambers Have Already Begun Chlorine Treatment

The study of the University of the Azores expresses "reservation about the quality of the water drunk in the Azorean island of Pico collected in cisterns."

According to the document, "this water is contaminated by chemical agents resulting from decomposition of the paint in the roofs and walls that surround the cisterns."

Contacted by the ANOP, the experts of the Regional Health Department declared that, "according to the study of the University of the Azores, the drinking water of the archipelago has bacteriological contamination but the spring presents excellent physical-chemical qualities."

In that connection, they stressed that it was "possible to eliminate the impurities from the water by improving the distribution system and prohibiting the access of people and animals to the springs."

The analyses of the water quality made by the University of the Azores are sent periodically to the municipal chambers and the district health authorities so that the latter may adopt the necessary preventive measures.

Various municipal chambers of the archipelago have already begun programs of treating the drinking water with chlorine.

Official sources contacted by ANOP stressed that "in recent years, there have not been any epidemics in the Azores as a result of the water, despite its quality."

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**DATE FILMED**

26 July 85